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2d Thoughts In Congress On Defense Cancellations

By Eric Schmitt... After pressing the Bush administration to make deeper cuts in military spending after the Cold War, Congress is now having second thoughts about immediately canceling such costly weapons as nuclear-powered submarines and fighter jets.

Fewer Praises For 2 Weapons Used in Gulf

By Barton Gellman... WASHINGTON — Two of the most celebrated weapons of the Gulf War, the air force F-117A Stealth attack jet and the navy Tomahawk cruise missile, struck considerably fewer of their targets than military officials have asserted publicly, according to the most recent classified analysis.

London Bombings Kill at Least 2, Wound 30

Compiled by Our Staff From Dispatches... LONDON — At least two people were killed and more than 30 were wounded, in a series of explosions Friday that rocked the heart of London's financial district, Scotland Yard said.



Prime Minister John Major, basking in his come-from-behind election victory, greeted supporters and the press on the steps of No. 10 Downing Street on Friday afternoon.

The Tory Victory: Riding Cross-Currents in Europe

By Craig R. Whitney... LONDON — At first glance, the surprise victory for Prime Minister John Major's Conservative Party in Britain seems to go against the grain of other recent European elections.

Yeltsin Outsmarts Opposition to Win Vote on Treaty

By Eleanor Randolph... MOSCOW — President Boris N. Yeltsin and his supporters Friday outmaneuvered the opposition in the Congress of People's Deputies by winning a sudden and crucial vote on a new federal treaty that gives the Russian president the power to block any Soviet-like disintegration of the republic.

Kiosk Bush Tells Aides to Avoid 'Sleaze'

WASHINGTON (AP) — President George Bush said Friday that he had ordered Republican political operatives to "stay out of the sleaze business," and he denied that his own re-election effort was in disarray.

African Titans' Reconciliation

By David B. Ottaway... ABUJA, Nigeria — South Africa and Nigeria, two giants of sub-Saharan Africa estranged by decades of apartheid, have buried their differences here in a meeting that signaled formal African recognition that the reform process in South Africa has become irreversible.

As 'Strength' Backfires, Nail-Biting Over Nikkei

By Paul Blustein... TOKYO — "Tomarara! Will it never stop?" That question, flashed in bold letters on a Japanese television news broadcast, summed up the mounting worry here this week over the downward spiral in the Tokyo stock market.

Table with financial data including Dow Jones, S&P 500, and other market indices.

Table with financial data including Gold, Silver, and other commodity prices.

'Junior Partner' of West? Some Ex-Soviets Bridle

By Fred Hiatt
Washington Post Service

MOSCOW — In the Grand Palace at the heart of the Kremlin, a legislator from Rostov took to the microphone to voice his wounded pride.

"We are listening to foreigners and foreign experts all the time," the legislator said. "But do you think they really want our industry and economy to develop? Surely they don't want to see us as rivals on the world market."

While President Boris N. Yeltsin of Russia has appealed to the West for huge amounts of aid and instruction in the passage from communism to free market, an undercurrent of resentment and opposition to Western influence has steadily gained strength. Foreign Minister Andrei Kozyrev is routinely attacked for slavishly following the U.S. line, and liberals and conservatives alike warn that the "Western model" will not work for Russia.

The distrust of Western motives, tapping a rich historical vein that predates Soviet power, has predictably become a staple of Russia's nationalist-patriotic and crypto-Communist movements, which blame the West for the Soviet Union's tumble from the summit of superpowerdom.

It has surfaced as a theme at the Congress of People's Deputies this week, which in its first session since the Soviet Union's collapse is trying to sort out Russia's place in the world in a mixed atmosphere of bewilderment, anger and resolve.

Most strikingly, the distrust has been expressed with varying degrees of thoughtfulness by many reformers still perceived in the West as liberal and pro-Western, such as the Yeltsin adviser Sergei Stankevich and the economist Nikolai Petukhov.

Mr. Stankevich, an early democrat now serving as Mr. Yeltsin's

state councilor on political affairs, recently wrote that it would be "senseless and absurd to put the Atlantic yoked and bow tie on the broad-shouldered Russian peasant."

"For many years, the best we would be able to count on would be the role of junior partner," Mr. Stankevich wrote in the newspaper Nezavisimaya Gazeta, referring to a Russian alliance with Western powers. "I do not think that we should accept such a role."

Instead, Mr. Stankevich said, Russia should develop relations with other "second-echelon" nations, like Brazil and India, which share Russia's goal of "integration into the world economy without damage to their own interests or prestige."

Mr. Stankevich, who speaks

English fluently, does not represent the Yeltsin administration as a whole on this issue, nor do the anti-Western legislators necessarily speak for a majority.

For Mr. Kozyrev, Mr. Yeltsin's young and equally fluent foreign minister, good relations with Washington and the West remain a top priority. And Yegor T. Gaidar, deputy prime minister and architect of Mr. Yeltsin's free-market program, spoke with pride to the Congress on Tuesday about the government's success in attracting Western aid.

"We thought at best we would need years of consistent and decisive market reforms and a responsible fiscal policy in order to win the trust of potential investors," Mr. Gaidar said. "Fortunately, we were mistaken."

He added, in reference to the aid plan: "In terms of its scale and international significance, this program is only comparable to the Marshall Plan, which paved the way for Western Europe's economic revitalization after World War II."

But pro-Western officials frequently find themselves on the defensive. "We shall never play up to the Americans," Mr. Kozyrev insisted in a newspaper interview last month. "Russia will never dance to anyone's tune."

Some critics assert that the new-found friendship with the United States has rendered Russia irrelevant in the world. Only by standing by the Soviet Union's traditional allies, they maintain, can Moscow keep the respect of the West.

Others say it is foolish to think that Washington really wants a strong Russia. Mr. Yeltsin's vice president, Alexander Rutskoi, recently likened Western aid to "free cheese in the mousetrap."

Behind much of the criticism is anxiety about Russia's loss of status, a key motivating factor as well in the controversy with neighboring Ukraine about the Black Sea Fleet and other issues.

Fearing the further disintegration of Russia and further danger to the 20 million or more ethnic Russians in other former Soviet republics, conservatives see all of Russia's territorial gains since the time of Peter the Great in danger.

A commentary in the conservative daily Sovetskaya Rossiya recently mocked Mr. Kozyrev for calling America a "potential ally."

It termed the independence of the Baltic states a "major foreign policy success" for Washington.

"Eventually Russia may find itself back in the 17th century, when Arkhangelsk was the only port that linked her with the outside world," wrote a commentator, Eduard Volodin. "Is this the lifting of the Iron Curtain? We are being driven into a landlocked state. The United States is destroying Russia geographically."

Many deputies to the Congress this week reacted calmly to such appeals. One sarcastically asked Mr. Rutskoi whether the Russian Army should also be sent to defend the interests of ethnic Russians in Canada and the United States, driving home the point that Ukraine and other former Soviet republics are now independent states.

But Russia's appeals to the West, and the trouble it will have to accept from the International Monetary Fund in return for aid, have raised the hackles even of those not usually considered nationalists.

Bosnian Pleads for Aid Against Serb Attack

By Chuck Sudetic
New York Times Service

SARAJEVO, Bosnia-Herzegovina — As this newborn republic slipped deeper into chaos, its president, Alija Izetbegovic, appealed Friday for international intervention to halt what he condemned as Serbian aggression against his republic.

"I call on the international community, the United Nations Security Council, the European Community and all governments to use their influence to prevent aggression against Bosnia and Herzegovina," he said.

He appealed to Serbia's president, Slobodan Milosevic, and the pro-Serb Yugoslav Army's chief of staff, General Blagoje Adzic, to rein in Serbian guerrillas. They were threatening to open fire on 3,000 people who have taken shelter in a Turkish-era fortress near the mostly Muslim Slav town of Zvornik unless the people surrender weapons that the Serbs allege they possess.

Western reporters said Serbian forces in Zvornik confirmed that many townspeople had fled to a nearby fortress.

Diplomats said that more than 20,000 people had fled Zvornik in the hours since Serbian guerrillas seized it Thursday from poorly armed local defenders. Zvornik county has only about 50,000 inhabitants.

Witnesses said that about 8,000 Muslim Slav people from Zvornik had been encamped with little food or water on a hilltop outside the town since Wednesday.

In a televised appeal, an official from the UN High Commissioner for Refugees, Jose Maria Mendiluce, appealed for an end to the violence so that help could be administered to the people who have fled Zvornik.

"These people are without shelter, without food and practically without any kind of hope," the UN official said.

Muslim Slav defenders in Visegrad warned that they would blow up a Drina River dam and flood Serbian lands if the Serb offensive against Bosnia-Herzegovina was not called off.

Serbian guerrillas bombarded Sarajevo on Friday for the sixth day running. Machine-gun fire and explosions erupted early in the day. Bullets struck a pensioner's home that is being used as quarters for personnel belonging to the UN peacekeeping force, UN workers said.

Serbian forces have barricaded practically all roads leading to the capital, according to an Interior Ministry official and a local journalist.

"The city is being blockaded," the ministry official said.

UN aid workers said their truck drivers were unable to transport food to many of the more than 100,000 refugees.

Officials say the violence in Bosnia-Herzegovina has left hundreds of people dead or wounded since it escalated 10 days ago.

An EC envoy flew into Sarajevo to open a seventh round of EC-sponsored talks aimed at working out a political solution to Bosnia-Herzegovina's political crisis. Difficulties have deepened since a referendum last month in which voters here overwhelmingly approved independence.

Bosnia-Herzegovina's Eastern Orthodox Serbs, who enjoy the full backing of the Yugoslav Army and Serbia's government, account for 31 percent of the republic's 4.3 million people. Serbian forces are fighting to seize the 60 percent of the republic's territory that their leaders have claimed for months.

The Muslim Slavs and most Roman Catholic Croats, who make up about 61 percent of the population, moved reluctantly for independence because they are not eager to be left in a name Yugoslav state run by the renegade Communists and Serbian nationalists.

The Muslim Slavic and Croatian side in the conflict here has agreed to participate in the EC-sponsored talks with the Portuguese ambassador, Jose Cutileiro, but it remains uncertain whether the Serbian side will appear.

Mr. Izetbegovic all but begged the Serbian guerrillas not to shoot at the people gathered in the fortress above Zvornik.

WORLD BRIEFS

Mitterrand Seeks Constitutional Shift

PARIS (Reuters) — President Francois Mitterrand, seeking to reimpose his authority, will go on television Sunday to discuss constitutional changes needed to ratify the Maastricht treaty on European union.

Mr. Mitterrand, who has not spoken publicly since his Socialist Party suffered severe setbacks in regional elections last month, will meet journalists Sunday evening and concentrate on the Maastricht issue, his office said Friday.

The Constitutional Council, the country's supreme legal body, ruled Thursday that three points in the treaty, a blueprint for a single currency and closer political union agreed to at an EC summit meeting in December, did not conform to the constitution. The ruling came as no surprise but diverted political thinking away from the domestic issues preoccupying the new prime minister, Pierre Berégovoy.

West's China Rights Effort Lamented

BEIJING (Reuters) — Western efforts to establish a dialogue with China on human rights have stalled, Foreign Minister Gareth Evans said. Australia said Friday. Asked why the process had halted, Mr. Evans said, "Maybe China is more confident of its place in the world," adding, "It's got the U.S. vote behind it."

In July, Australia became the first Western nation to send a human rights inspection team to China. But Mr. Evans suggested that Beijing's decision to accept it had been cynical, possibly aimed at preserving its trade benefits with the United States.

The U.S. Congress failed to push through a bill this year that would have put human rights conditions on China's most-favored-nation trading status, which covers billions of dollars in exports.

Rebel Kurds Expect Saddam Retreat

SALAH AD DIN, Iraq (Reuters) — Kurdish rebels said Friday that they were confident President Saddam Hussein would bow to Western pressure and start pulling back his troops from northern Iraq within 48 hours.

They said a tough statement from President George Bush and the general election victory of Britain's Conservative Party government, Mr. Bush's staunch ally in the Gulf War, had given them important support in their battle for autonomy.

"I expect the Iraqi Army to begin withdrawing from Ain Sinaf over the next 36 to 48 hours," said Faid Mirmir, a commander of Kurdish guerrilla forces in the D'oh region of northwestern Iraq. Baghdad has built up its forces along a several-hundred-kilometer front in Kurdistan in the past month. Rebels feared an offensive as winter snow melted.

Parliamentary Voting Starts in Iran

TEHRAN (Reuters) — Iranians voted Friday in a general election that could give President Hashemi Rafsanjani the comfortable majority he needs to counter his radical rivals.

Mr. Rafsanjani, who is eager to further his policies of opening to the West and liberalizing Iran's economy, was among the first to cast his ballot in Tehran when voting started at 8 A.M. Results were not due until Wednesday.

Interior Minister Abdollah Norouzi told Tehran Radio that voting at 30,000 polling stations across the country had gone smoothly and that there were no reports of trouble. More than 2,000 candidates are contesting the 270 seats in the Majlis, the parliament.

Attacks Kill at Least 55 in Sri Lanka

COLOMBO (Reuters) — Suspected Tamil rebels killed at least 35 civilians in two bomb attacks and 20 government soldiers in ambushes on Friday, Sri Lankan military and police officials said.

Twenty-five people were killed when a bus exploded in Ampara, in eastern Sri Lanka, the Defense Ministry said. Later in the day, at least 10 were killed in an explosion caused by a suspected car bomb in suburbs of the capital, Colombo.

To Our Readers

Because of a mechanical error, pages in some late editions Friday were not transmitted with complete updated news articles. The Herald Tribune regrets the error.

TRAVEL UPDATE

The U.S. State Department is warning Americans to defer all nonessential travel to Angola because of violent crime there, and is advising Americans in Nepal to travel with caution there after recent anti-government demonstrations in Kathmandu and other cities. (Reuters)

Delta Airlines has been allowed to operate in Israel on the Sabbath pending a final court ruling late next month, the Israeli Justice Ministry said Friday. Delta took the Israeli government to court this week for refusing to let it operate on Saturdays.

Metro stations in Madrid went on maximum health alert Friday as litter and food cluttered platforms and rats were spotted as a pay strike by maintenance workers went into its 18th day, officials said. "We're nearing the stage when if it isn't cleaned we'll have to close," said a subway spokesman. Hospitals and schools also were affected. (Reuters)

Mexico City air pollution hit dangerous levels for a third consecutive day, but officials eased emergency restrictions so that residents of the capital could flee the smog-choked city for Easter vacation. (AP)

Australia will make seat belts compulsory in 1994 for all long-distance bus travel in an effort to ease the severity of major crashes. (AP)

The Philippines dismissed nine leaders of striking air controllers as they were to end their weeklong stoppage. The strikers said talks were continuing, but they would not return to work until their leaders were reinstated and the government agreed not to penalize anyone. (Reuters)

The Weather

Forecast for Sunday through Tuesday

Region	Today	Tomorrow	Today	Tomorrow
	High	Low	High	Low
North America				
Albany	27	12	23	11
Anchorage	17	6	15	5
Atlanta	20	12	18	10
Boston	14	8	12	6
Chicago	20	10	18	8
Dallas	12	4	10	3
Denver	18	8	16	6
Detroit	12	4	10	3
Houston	18	8	16	6
Los Angeles	18	8	16	6
London	12	6	10	4
Madrid	18	8	16	6
Moscow	12	4	10	3
New York	18	8	16	6
Paris	12	6	10	4
San Francisco	18	8	16	6
Seattle	12	4	10	3
Washington	18	8	16	6
Zurich	12	6	10	4
Europe				
Amsterdam	12	6	10	4
Brussels	12	6	10	4
Frankfurt	12	6	10	4
Geneva	12	6	10	4
Lisbon	12	6	10	4
London	12	6	10	4
Madrid	12	6	10	4
Moscow	12	6	10	4
New York	12	6	10	4
Paris	12	6	10	4
San Francisco	12	6	10	4
Seattle	12	6	10	4
Washington	12	6	10	4
Zurich	12	6	10	4
Asia				
Algeria	18	8	16	6
Beijing	12	6	10	4
Bombay	18	8	16	6
Calcutta	18	8	16	6
Hong Kong	18	8	16	6
London	12	6	10	4
Manila	18	8	16	6
Medan	18	8	16	6
Osaka	12	6	10	4
Seoul	12	6	10	4
Singapore	18	8	16	6
Taipei	18	8	16	6
Tokyo	12	6	10	4
Yokohama	12	6	10	4
Africa				
Algeria	18	8	16	6
Cairo	18	8	16	6
Harare	18	8	16	6
Johannesburg	18	8	16	6
London	12	6	10	4
Manila	18	8	16	6
Moscow	12	6	10	4
New York	12	6	10	4
Paris	12	6	10	4
San Francisco	12	6	10	4
Seattle	12	6	10	4
Washington	12	6	10	4
Zurich	12	6	10	4
Latin America				
Buenos Aires	18	8	16	6
Caracas	18	8	16	6
London	12	6	10	4
Manila	18	8	16	6
Moscow	12	6	10	4
New York	12	6	10	4
Paris	12	6	10	4
San Francisco	12	6	10	4
Seattle	12	6	10	4
Washington	12	6	10	4
Zurich	12	6	10	4
North America				
Albany	27	12	23	11
Anchorage	17	6	15	5
Atlanta	20	12	18	10
Boston	14	8	12	6
Chicago	20	10	18	8
Dallas	12	4	10	3
Denver	18	8	16	6
Detroit	12	4	10	3
Houston	18	8	16	6
Los Angeles	18	8	16	6
London	12	6	10	4
Madrid	12	6	10	4
Moscow	12	6	10	4
New York	18	8	16	6
Paris	12	6	10	4
San Francisco	18	8	16	6
Seattle	12	6	10	4
Washington	18	8	16	6
Zurich	12	6	10	4



PEP TALK BEFORE SANCTIONS — Libyans in a Tripoli mosque listening Friday to a sermon attacking the United States. UN sanctions are to take effect in less than a week if Libya does not hand over two alleged terrorists. The UN leader said he would continue as a "catalyst" in trying to persuade Libya to do so.

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UN Chief Offers New Afghan Plan

By Steve Coll
Washington Post Service

NEW DELHI — The UN secretary-general, Boutros Boutros Ghali, formally announced a new peace plan Friday for Afghanistan in which a neutral council would take power from President Najibullah "as soon as possible" to pave the way for a reconciliation government to be selected later by representatives of Afghanistan's warring factions.

Speaking in Geneva, Mr. Boutros Ghali offered no specifics about when the proposed "pre-transition" council, whose membership still being decided, would assume office in Kabul, the Afghan capital.

But Afghan rebels involved in the negotiations said they expected a change of government toward the end of April. Such an event would mark a major step to peace in a country tortured for 13 years by a failed Communist revolution, civil war and a proxy conflict between the United States and the former Soviet Union.

UN negotiators came up with the unusual idea for the transition council about two weeks ago in an effort to speed the peace process, to preempt plotters in Kabul and to please recalcitrant Afghan rebel groups opposed to the earlier peace formula, which involved a more cumbersome series of negotiations.

On Thursday, Major General Najibullah, a former Communist revolutionary and secret police chief who has been publicly supportive of the UN peace talks, said in Kabul that he would yield power to the 15-member transition council of neutral, respected Afghans as soon as it is ready to take office.

Under the new UN plan, the council would hold power for 45 days with support from existing army units and police in the capital before yielding to an interim government selected by a broad assembly of Afghans, which would convene in Europe later this spring.

Mr. Boutros Ghali said that no date or site had yet been agreed upon for this second-stage meeting in Europe.

The secretary-general did say that an agreement had been reached between General Najibullah's government and most rebel factions, provided that once the transition council takes office in Kabul, "there will be cessation of hostilities, a declaration of general amnesty to all concerned," and "guarantees of safety and security to all Afghans."

It is not yet clear exactly how these amnesties and security guarantees will be enforced or how many of the mujahidin groups seeking General Najibullah's overthrow will accept the new plan, whose outline was disclosed by UN mediators in Pakistan last week.

Four of the seven major rebel groups based in Pakistan have endorsed the new plan. Two small Islamic groups have opposed the peace process from the outset.

Questions remain about what course will be taken by Gulbuddin Hekmatyar, a radical leader, whose aides have waffled over the plan.

Mr. Izetbegovic all but begged the Serbian guerrillas not to shoot at the people gathered in the fortress above Zvornik.

YELTSIN: Outsmarts His Foes

(Continued from page 1)

Russian Constitution "time and again," he warned that in the future, "it would not be enough for a deputy to simply criticize the government and refuse to accept the blame for its policies and their results in the future."

"Criticism is not enough," Mr. Baburin added. "One has to say: 'I assume the responsibility to vote against this government.'"

In the debate, Mr. Yeltsin, 61, at first led some opponents to believe that he was giving in to conservative demands, by promising some softening of his reforms and changes in the government. The vote was taken so quickly that when some Yeltsin opponents realized what was happening and stood to protest, it was too late.

Many political veterans were surprised by how deftly the Yeltsin team had planned and executed the political strategy. Coming from an era when dictators directed votes,

هكذا في الأصل

Herald Tribune

Tokyo and Main Street

When the Japanese stock market plummeted 10 percent earlier this week, fear struck Wall Street. The Dow Jones industrial average plunged nearly 100 points in two days and Americans wondered whether Main Street would be next.

The answer is that it will not.

For starters, Japanese stock prices have been falling steadily since 1989 with little discernible impact outside Japan. Indeed, the Japanese economy continues to grow. And even if generally lower stock prices force Wall Street prices down, the impact on U.S. production will not be noticeable.

Think back to 1987. U.S. stock prices plunged 508 points in a single day, yet the economy grew steadily thereafter. The Federal Reserve knows how to insulate Main Street from Wall Street.

Even plausible worst-case outcomes should not be nervous-making. Some observers fear that Japanese investors, especially banks, will replenish sagging domestic portfolios by "pulling their money out." That might sound worrisome, but it is not. Suppose Japanese investors sell real estate and other U.S. assets. They would first

Mixed Verdict in Miami

In the U.S. government's nightmare scenario, Manuel Antonio Noriega would have been racketeering and drug charges in Miami and, although he might have been indicted or extradited, the United States would have suffered the immense embarrassment of seeing acquitted the man it invaded Panama to bring to trial. But it did not turn out that way. Mr. Noriega was convicted Thursday on most of the charges brought against him.

Some part of the Miami proceeding was exemplary. Mr. Noriega got a long and fair trial in which he had first-rate representation of his own choice. The judge hung on through a midtrial heart operation, and the jury listened for seven months and worked out a severe split at the end.

The conviction does not itself vindicate President George Bush's invasion of Panama in December 1989. Formally, the invasion was not launched to unseat and nab Mr. Noriega but to see to the safety of U.S. citizens, the working of the Panama Canal and the integrity of the canal treaties. In the political context of the day, however, it mattered greatly that Mr. Noriega was not only a dictator who had thrown out the democrati-

Why He Kept It Secret

Arthur Ashe was understandably upset and angry when forced to reveal at a hastily called press conference Wednesday that he is suffering from AIDS.

But he asked his barbs at the wrong target when he complained about the person who "ratted" on him to a newspaper.

The real villainy lies in the cruel and benighted public attitudes that compelled him to keep his disease secret for years.

What a sad day for America when even an icon like Arthur Ashe cannot reveal his AIDS affliction for fear that he or his family will suffer adverse consequences.

There are few more respected individuals in American sport than this scholarly, dedicated man—the most prominent black male tennis player in history, author of a three-volume history of African-American athletes, strong advocate for human rights and longtime friend of President and Mrs. Bush.

Mr. Ashe contracted the virus in a way that would gain the sympathy of even the most censorious citizen—through a blood

Asimov, the Translator

Anyone lucky enough to stumble on one of Isaac Asimov's H. G. Wells Award winning stories in the 1960s or 1970s has a pretty good idea what it must have been like to talk to the irrepressible writer of science fiction—and of science fact, mystery, criticism, essays and much else—who died this week at age 72. Back then, Mr. Asimov was already the undisputed dean of science fiction, though he had not reached the dizzying output of later years (at his death nearly 500 titles had appeared). But the witty anthologies, in which he collected prize-winning stories and introduced their authors like guests at a banquet, made it clear that he already knew practically everything about practically everything. The impression was backed up, in time, by books on Shakespeare, the Bible, popular culture, neurology, atomic physics and, of course, robots and space travel.

Intellectually speaking, this kind of range is not too fashionable, and one charm of Mr. Asimov was that, aside from the inherent modernity of much of his subject matter, he came across as a man from a more wide-ranging intellectual era. His outflow of prose was Victorian, almost Dickensian. His prodigious page count reflected a mind that, as he said himself, was "orderly" and blessed with the ability to assimilate large amounts of knowledge and describe them with complete clarity. His longtime editor, Truman Talley, thinks he benefited from a "film of memory" that made nearly everything he experienced or learned instantly available and from his timing in being born on the lip of an explosion of new knowledge that put straight-forward explanations highly in demand.

Other Comment

No Tears, but No Vindication

No one will shed tears for Manuel Noriega, who now faces a theoretical 100 years in prison. By almost any standards he is a brutish thug who did terrible things to his nation and contributed to the scourge of illicit drugs. But one keeps remembering the sometimes bloody, even sordid, U.S. campaign to get the Panamanian strongman; one keeps remembering the long history of the general's covert relationship with the CIA; and one remembers the military intervention mounted to capture him. So it is hard to find vindication in this verdict for anyone, except perhaps the 23 U.S. soldiers who lost their lives in the Panama invasion, who lost their lives in the Panama invasion.

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Angry Voters (Britain Aside) Are Tired of the Stench

By Leslie H. Gelb

NEW YORK — The results of recent elections in Western Europe and primaries in the United States suggest a new, volatile and inward-looking pattern of politics within industrialized democracies.

Voters, from ordinary citizens to skinheads, are angry at mainstream parties for failing to address their problems. They are turning against both conservative parties long in power and the usual liberal-socialist alternatives. But with the apparent exception of Britain, they are throwing out the bums-in-power without bringing back the familiar bums-in-waiting.

Extremists have been the principal beneficiaries. The gainers in Germany, France and Italy represent the far left and right. Protest and fringe candidates have also done relatively well in the U.S. presidential primaries. Britain's Labour Party picked up votes, though the Conservatives held onto power by a narrow margin. Extremists are far from achieving governmental power, and broader patterns of voter discontent have not yet played themselves out. But even short-run effects are proving troublesome and nasty. They are forcing the creation of

unstable coalitions and coalition-style regimes. The governing Italian coalition will have to become even broader and more unwieldy to hold power. To run German state governments, Christian Democrats and Social Democrats may have to band together or coalesce separately with fringe parties. French Socialists will also be seeking new partners to retain office next year.

Brian Mulroney, the Progressive Conservative prime minister of Canada, has hit rock bottom in the polls. There is no telling where Canadian politics will go next.

George Bush will certainly see positive signs for himself in John Major's re-election in Britain. Since World War II, the fates of British Conservatives and U.S. Republicans have often run in parallel. Yet the political situation in America remains volatile. For now, None Of The Above would probably defeat both George Bush and Bill Clinton.

In Europe, conservatives and liberals could band with one another to create ruling majorities

or governments of national unity. But the present union of Christian Democrats and Socialists in Italy shows this generally does not work.

Center parties, more likely, will align with fringe groups that they think they can tame. But extremists often get the better of the deal on issues that concern them.

Patrick Buchanan has tugged President Bush rightward. In Germany and France, Chancellor Helmut Kohl and President François Mitterrand are sounding anti-immigrant notes.

Italy's Christian Democrats will need to accommodate the northern-based Lombardy League's growing appeal to separatism from the Mafia-dominated South.

Separatist, nationalist and racist themes could play havoc with commitments to West European union. They will make it harder to bridge gaps between the ex-Communist East and the West.

As for the environmentalist parties rising now in Italy and France, their focus is narrow and their impact still unclear. Greens have already forced a halt in French nuclear testing.

All too clear is that the narrow nationalism of far-right parties reinforces protectionist

pressures. Hard times already make it harder for free-traders to prevail.

Such free-traders and free-marketers—first Margaret Thatcher, then Ronald Reagan and Helmut Kohl—insisted in more than a decade of triumphant conservatism.

Now, Cold War successes fading in the gloom of economic stagnation, their tide is running out. It is being superseded by eddies of public anger and uncertainty, carrying frightened leaders of mainstream parties inward and down.

It is possible, of course, that leaders of these conservative and liberal parties will take voters' cries to heart and shape up. But most familiar power-holding and power-seeking parties are led by a bunch of tired old politicians, whose minds appear untouched by new ideas and whose actions lack confidence and courage.

The voters, for all their sublime ignorance of issues and candidates' stands, do well at smelling the stench of decay. They ballots in ring with one message to mainstreamers everywhere: You are beginning to stink.

The New York Times

Even Collective Security Needs a Superpower Friend

By Charles Krauthammer

WASHINGTON — Fifty years ago Walter Lippmann introduced the idea of solvency in foreign policy. "Foreign policy," he wrote, "consists in bringing into balance... the nation's commitments and the nation's power." The alternative is insolvency. "The level may vary at which a solvent balance is struck," he wrote. But the statesman "must bring his means and ends into balance."

Today, insolvency—updated by the historian Paul Kennedy as "imperial overstretch"—has become the rallying cry of those who want the United States to cut back radically its role in the world.

Without U.S. force, what would have been done about Kuwait?

The chorus has grown loud since the leak last month of the "Pentagon Paper" advocating, as a long-term strategy, maintaining America's position as the world's only superpower.

Judging by the op-ed pages, I seem to be the only American outside the Pentagon who thinks this is a good idea and that allowing the United States to subsidize the status of middle power (like Germany or Britain or Russia) is not. For the critics, however, superpowerdom is nothing but an exercise in expensive grandiosity—first, because maintaining superpower status is driving the United States to insolvency; and second, because there is an alternative to being the world's policeman, namely "collective security."

But is America overstretched abroad? U.S. forces are leaving the Philippines. In three years, Americans will be halfway out of Europe. The United States no longer supports insurgencies in Afghanistan, Angola and Nicaragua. Military aid to El Salvador is one-tenth of what it was. America is building no new nukes; it is dismantling old

ones. The military is no longer sized to fight two and a half major wars simultaneously; it is being reshaped to fight two regional wars instead.

By any postwar historical standard, American foreign commitments are small and diminishing. By GNP measure, the country is spending less than half today on defense what it did in the economic heyday of the '50s and '60s.

The critics have things reversed. It is the economy that will be the ruin of foreign policy, rather than the other way around. And the success or failure of the U.S. economy hinges exclusively on domestic policy. Americans are either going to reduce the massive public debt and rebuild the nation's infrastructure or they are not. This is entirely a matter of domestic politics and American political will. It has nothing to do with whether Washington leaves 80,000 as opposed to 150,000 troops in Europe.

The critics confuse two forms of insolvency. The United States is not geopolitically insolvent (in Mr. Lippmann's sense) but economically insolvent. The problem in the Gulf War was not that America lacked the power to achieve its ends but that it had to beg the money to support that power.

And not because the \$6 trillion American economy is inherently incapable of devoting 1 percent of gross national product to securing the safety of its central source of oil; but because American politicians have so overspent themselves and the public so indulged itself that no one is prepared to speak fiscal truth, let alone advocate the spending cuts and higher taxes needed to restore the U.S. government to solvency.

It is this looming bankruptcy that threatens the U.S. position in the world. American geopolitical collapse will have nothing to do with the world being too big for it to patrol or its being

too weak to do the patrolling. It will have to do exclusively with the loss of political will for raising the money to provide for domestic needs and to restore the economy to minimal balance.

The other fallacy of the anti-superpower crowd is that there is an alternative to American leadership: "collective security," the current panacea for all security problems.

Collective security is a mirage. It rests on the fallacy that all countries perceive threats in the same way and therefore will take equal risks to meet those threats. Of course they don't. If North Korea invades South Korea, will the threat be perceived in the same way in the United States and China, in Iceland and Argentina?

It is every country for itself. That does not mean that there cannot be, as in the Gulf, ad hoc coalitions in which particular countries at a particular time happen to perceive a particular threat as large and join together to do something about it. But there is nothing universal, permanent or even reliable about such coalitions. They come and go.

And countries differ not just in threat perception but in the power to do something about it. All the collective goodwill in the world is useless without the power to back it up, and only America has the power. Without U.S. force, what would "collective security" have done about Kuwait?

Potential allies do not sign on to a losing proposition. One of the reasons so many countries joined the United States in the Gulf is that they had confidence in American power. Coalitions do not grow on trees. They grow on the backs of superpowers.

Collective action is fine. But it cannot succeed, even exist, without a nucleus around which to organize. The critics offer collectivism as a substitute for American power. On the contrary, it is a complement to American power and, in the final analysis, its consequence.

Washington Post Writers Group.

Don't Look For Hitler Everywhere

By Werner Hoyer

The writer is parliamentary whip and security spokesman for the Free Democratic Party, the junior coalition partner in Germany.

BONN — The enormous upheavals in Europe call for trans-Atlantic leadership. But for this partnership to flourish, tired ideas about Germany need to be cast aside. Images of an aggressive Germany or a "Fourth Reich" crop up again and again in coverage of Germany's recognition of Croatia and Slovenia, the Bundesbank's rate hike, the Kurt Waldheim visit and the decision to stop the arms flow to Turkey.

Linking Germany's recent initiatives to its Nazi past denies us anything but a knee-jerk reaction to the issues—a reaction that can bring unintended consequences. The constant comparisons fuel German resentment and unwittingly play into the hands of the extreme right. Young Germans need to remember, not resent, the Holocaust. The comparisons also create a damaged-if-you-do, damaged-if-you-don't situation, which can only exacerbate tensions.

The Bundesbank rate hike was portrayed as a sign of "German aggressiveness." But the hike actually facilitates German integration into the European Community. To meet EC guidelines for a common currency, Germany must lower its deficit and its inflation rate. The Bundesbank's hike makes this possible.

Including the Deutsche mark in plans for a common European currency demonstrates that German leadership will pay the domestic price for deeper EC integration. The result will be a European Germany, not a German Europe. Twisting this into an example of aggressive nationalism only provokes animosity for those who oppose integration.

Germany's dilemma is even more striking in the dispute with Turkey. If Germany had not blocked further arms sales, critics would say that German tanks were again killing minorities. Yet the controversy-with-Turkey goes straight to democracy's heart. The German parliament forbade further sales. Despite this, the Defense Ministry delivered weapons without parliament's knowledge. Imagine the reaction if the U.S. Congress barred weapons sales to, say, El Salvador, only to watch on television as American tanks crushed opponents of the regime. What we are seeing is a democratic parliament taking its executive branch to task. Nothing can be more fundamental to democracy's proper functioning and goals, or further from Hitler's Germany.

Let the critics stick to the issues at hand. Chancellor Helmut Kohl's decision to see President Kurt Waldheim was his to make and his to defend. Reporting which links everything Germany does to Hitler's evil fosters outdated stereotypes.

Today's change requires even closer trans-Atlantic and U.S.-German cooperation. We must work together to ensure that democracy and open societies flourish in former Communist countries. How shameful it would be if we were to allow worn-out stereotypes to scuttle this effort.

International Herald Tribune

This Is Not the Way to Deal With a 'Global Partner'

By Jim Hoagland

TOKYO — Only months after it proclaimed a new "global partnership" with Japan, the Bush administration's stunts treats America's most important Asian ally and business partner as a political subordinate to be involved in global strategy as an afterthought.

The distrust that exists between Tokyo and Washington on trade is now eating at the political and diplomatic relationship like drops of acid splashing onto a boulder. The inflated rhetoric trotted out for President George Bush's January visit has turned into springtime disillusionment.

Japanese officials are privately appalled at Mr. Bush's election victory campaign schedule takes priority over foreign policy considerations. They are still fuming over Mr. Bush's rush to announce a financial aid package for Russia minutes before Bill Clinton addressed the subject.

Japan had not agreed to participate in the Group of Seven package announced by Mr. Bush on April 1. For the Japanese, Mr. Bush's hasty announcement was not simply a violation of diplomatic niceties. It threatened to undermine Japan's long-term negotiating strategy to get Russia to return four island territories seized at the end of World War II.

Japan is committed to keeping "politics and economics tied together"—the phrase used in Tokyo to bar Japanese financial aid until Rus-

sia gives a clear commitment to return the islands. The United States and Britain supported Japan's rejection of German and French efforts at the Houston and London G-7 summit meetings in 1990 and 1991 to give aid to Mikhail Gorbachev.

Japan feels isolated within the G-7 as the July summit meeting in Munich approaches. In searching for a new global political role commensurate with its enormous economic power, Tokyo has put special emphasis on its standing in the G-7 process.

"We are embarrassed," said a senior Japanese official after Mr. Bush's announcement. Added a diplomat: "It was for a good cause, trying to save democracy in Russia. So we won't say much. But leaving us isolated in the G-7 is not global partnership."

Hurt pride is not the only cost of Mr. Bush's vote-gathering haste. Only Japan has enough cash reserves to fund Russian needs. But Japan is now unlikely to give as much to the multilateral currency stabilization fund proposed by Mr. Bush as it might otherwise have done, said a non-Japanese diplomat who has discussed the matter with Japanese officials.

Two smaller irritants also suggest to the Japanese that Mr. Bush and Secretary of State James Baker pay scant attention to Japan—despite the lofty goals contained in the Tokyo Declaration that concluded Mr. Bush's visit in January and the hard work by the administration's foreign policy professionals on Asia.

Prime Minister Kiichi Miyazawa's government could fall if the ruling

Liberal Democratic Party does poorly in the July elections for the Diet's upper house. Mr. Miyazawa had hoped to raise his prestige and boost his election chances by scheduling a spring visit to Washington.

But Mr. Bush could not locate an open date until the beginning of July—well after the Republican primaries in which his record on trade and foreign policy and his disappointing trip to Tokyo could be issues.

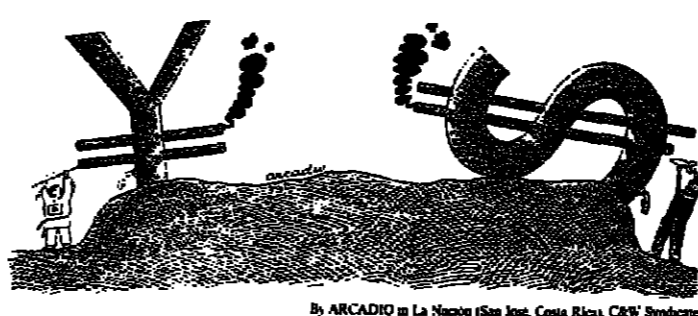
Mr. Baker's wide-ranging travel schedule rarely includes Tokyo. The secretary of state has shown little interest in rearranging his schedule to attend a June conference in Tokyo on peace in Cambodia.

Intended to chart a visionary new relationship, the Tokyo Declaration has failed to deliver its promise. Tactics used by U.S. Treasury officials in the negotiations on the wording of the communiqué undercut the new cooperative spirit the document called for before it was even signed. These U.S. officials insisted that the Japanese include in the communiqué a commitment to achieve a 3.5 percent growth rate this year. The Japanese negotiators refused. The economy has since plummeted and will achieve 2 percent growth or less this year.

What was the previously undisclosed Treasury play about? It is not clear to the Japanese; but some officials in Tokyo now suspect that it was a setup. A Japanese failure to reach a growth target stated in a formal bilateral communiqué could have set the stage for public accusations or legal challenges that would have undermined Japan's trustworthiness in its commitments to America.

Japan's predatory business practices and weak political system merit criticism. Even so, this is not the way "global partners" deal with each other. The Bush administration would do better either to turn down the "global partnership" rhetoric and avoid more disillusionment, or to live up to the rhetorical commitments it makes.

The Washington Post.



For Israel, It's Business With the Devil

By A. M. Rosenthal

NEW YORK — First, fellow students of journalism. I want to thank the truth squad of military specialists, outside and inside the Pentagon, who helped me achieve victory over the mighty column-writing team of Evans and Novak.

You will, I trust, remember my reporting on a column by Rowland Evans and Robert Novak. Their story was that the Israelis were trying to sell to China an Israeli air-surface missile called STAR.

But, said Evans-Novak, STAR is an Israeli steal from a bush-bush American missile called HAVE NAP. They reported that HAVE NAP was equipped with technology to make it "stealthy" and was so important that on the first day of the Gulf War it was dropped on Iraq from B-52s in a secret mission.

The story was so full of errors and no-facts that it offended the professional dignity of military experts. So, after checking, I reported that HAVE NAP was not stealthy, that it was not dropped on Iraq and that the missile was created, of all places, in Israel—where it is known as Popeye. It is now produced in the United States and, coup de grace, jointly by Israel and America.

Evans-Novak sputtered their way through two more columns of trying to salvage their reputation as military scoops. With each sput they entwined themselves in further error, fury and slur. So let us leave them gulping, but with one remark about their story ringing bell-like over

American journalism. It was made by Brigadier General Buster Glossov, top air war planner during the war, as reported in Defense Week: "Unadulterated bull excrement."

But a real problem remains: the missile danger from China.

A clear look is taken in a report by the International Missile Proliferation Project of the Monterey Institute of International Studies. Written by Timothy McCarthy, it concluded that:

1. China is carrying out the world's most comprehensive program of providing "developing" nations with missile know-how.
2. The great danger: Beijing is turning these dictatorships in the Middle East and Asia—North Korea is one—into missile-producing and missile-transferring states themselves.
3. Chinese missile exports are directed primarily to Middle East or Asian states that could threaten the United States or its allies.
4. All U.S. diplomatic efforts to restrain Chinese missile exports have failed. American diplomats talk to Chinese diplomats. But the decisions are taken by the web of family-run corporations tied into the Chinese Central Military Commission. Also, as long as the West makes huge arms sales to the Middle East, the Chinese figure they can too.

(And, I believe, Beijing will con-

tinue to instruct the United States to go to hell as long as President George Bush keeps vetoing congressional legislation to withdraw economic benefits as the price of Chinese missile proliferation and trampling of human rights.)

The report lists scores of cases where Communist China sold missile power to Middle Eastern and Asian dictatorships. Syria emerges as a particularly serious danger, nearing capability to produce its own Scud missiles.

The list also details reports of foreign sales to China in the missile field. These include Israeli-Chinese deals other than the phony HAVE NAP and Patriot stories.

By helping China, the Israelis are helping the very countries that are aiming all their missiles at Israel.

Israeli officials, Labor and Likud, say Israel needs foreign markets to support its own essential arms industry. True. But national interest and international democratic values dictate sacrificing the Chinese edge of the market because it feeds critical weapons to Middle East dictatorships. Any country, including the United States or Israel, that aids or abets the deliberate Communist Chinese program of missile proliferation helps make more wars more likely.

And that goes too for journalists who spread cockamamie stories that divert attention from the real dangers of Chinese missile-mongering.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: A Drouot Auction

PARIS — An important sale took place yesterday [April 11] afternoon in Room 3 of the Hotel Drouot. Among others, a fine work by Diaz, showing a glade in the middle of moss-covered rocks and brambles, several trees outlined on a gray sky slightly tinted with blue. It was called "La Carrière," and fetched 10,800fr.

"Sous les Bois," by Corot, representing a sunset; near a spring under large trees with trembling foliage a couple are seen exchanging vows in a forbidden area of occupied France, according to information received in London today [April 10] from reliable sources. The disturbance are said to have broken out over food shortages and drastic repressive measures ordered by the Nazi military commanders of the region. After several days during which the police and military used ruthless methods in handling popular discontent, rioting broke out at the beginning of this week.

1942: Riots in Brest

LONDON — [From our New York edition.] Scores of executions and hundreds of arrests have followed furious disturbances at Brest, in the forbidden area of occupied France, according to information received in London today [April 10] from reliable sources. The disturbances are said to have broken out over food shortages and drastic repressive measures ordered by the Nazi military commanders of the region. After several days during which the police and military used ruthless methods in handling popular discontent, rioting broke out at the beginning of this week.

NEW YORK FASHION

From Young Designers, Ethnic Mix

By Suzy Menkes International Herald Tribune

NEW YORK — Something hot and strong is bubbling in the city's cultural melting pot. Fashion's newest designers — often showing way downtown — have diverse ethnic backgrounds, ranging from Malaysia to Mexico. But they all have the same attitude about stirring things together and spicing up America's traditional sportswear. They also have wild and noisy soundtracks, MTV celebrities in the audience and all sorts of stage, including drag queens.

"I call on all of my background and influences — you can't do things the old way any more," said Todd Oldham, a 30-year-old Texan who has lived in Iran. In his wacky show, Oldham even had a sequined skirt picturing Mona Lisa on the front and a Picasso portrait on the rear. He called it Old Master, Young Mistress. Like most of the young designers, Oldham has a pretty uninhibited attitude to sex.

Oldham's strength is in the witty way he embellishes sportswear pieces. This season, the theme was suburban kitsch, which meant a doorknob chime over the music, winduppane checks on pantsuits, jackets with prints of quilts like Auntie's bedcoverings — and floral wallpaper patterns on sexy slip dresses. Under all that decoration — and a lot of posing on the runway — the themes were current: pants suits, long skinny skirts and shorter full ones, animal prints and the season's hit leather, riveted with studs. It all made a funny, funky mix.

ANNA SUI, a Chinese-American with experience as a fashion stylist, dressed up her well-proportioned clothes in hippie style, as Marc Jacobs did at Perry Ellis earlier in the week. The elements of this back-to-the-1970s look are the pantsuit — in corduroy velvet or tapestry; maxi coats brushing the ankles of snakeskin boots; and wacky Wild West themes, ranging from American Indian thongs on short skirts or dresses to dangling fringes on suede pants. Sui made it all seem fun — especially when super-model Naomi Campbell came out in fringed cowboy chaps over the briefest of swimsuits with a butterfly tattooed in a cheeky spot.

Young designers all reflect the sexually charged glamour found in Manhattan's clubs and downtown restaurants as defiant fashion for hard times. The debut collection of Victor Alfaro, from Chihuahua, Mexico, was body-conscious to a degree: jeans zippered from front to rear; western chaps in lace or snake over glove-tight body suits;



Anna Sui's hippie look and Todd Oldham's kitsch mix.



slithering dresses laced down one side or with bias-cut seams slanted to show flesh. Zang Toi, a 31-year-old designer from Malaysia, tried to whip up old-style elegance with his theme of Orient Express travel — in Technicolor. Tweed coats were in bright checks lit up with glitter, and the show was filled with leather and feathers, as well as fox furs (complete with heads) and ankles a-rattle with jet fringing.

Bob Mackie, who showed Thursday, represents the more familiar silver-screen glamour born of the 1930s Depression — all cantilevered bodices, glitter-gulch decoration and lattice-work of straps. Liza Minnelli, wearing a violet Halston jacket with black pants and sweater, and Cyd Charisse, who was dressed by Mackie, added to the show biz. There was also a Father Christmas on stage, a Thanksgiving platter and a finale of black, white and gold siren dresses, with a barrage of balloons and a chorus of "Let the Good Times Roll." All that concealed the fact that the clothes in Mackie's show were relatively quiet, with a large section of daytime sportswear and even Puritan mid-calf dresses for serving up the turkey.

Menswear with a womanly look is an important fashion message, and Christian Francis Roth emphasized the theme with quirky charm. He showed tailoring made in patchworks of pinstripe and donegal on a stage set of a turn-of-the-century men's dressing room with wardrobe, mirror and grooming stand. Roth showed the vest, often attached as the necktie, enlarged as the stripes on a long, skinny dress. As with all the young designers, when skirts were long they were near ankle-length, and had a period flavor when teamed with short jackets.

EVA CHUN, with roots in Korea, showed a first collection that was all about throwing a curve. Her silhouette was long and lean, but arcs of seams fitted a jacket or dress close to the body. Hemlines were mid-calf, opening with a slit each side for easy movement, or skirts were short and flared. The spare clothes were enriched by fine fabrics — lush cabled cashmere knits, glossy leather or silk.

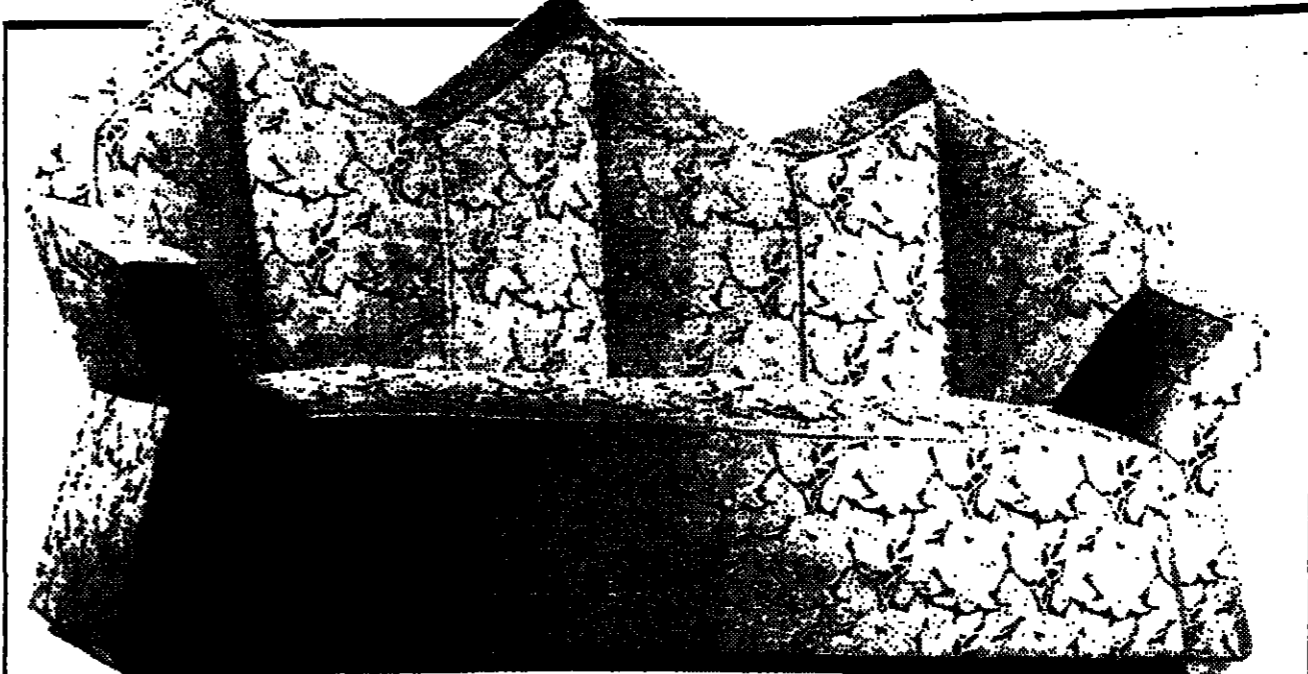
Straightforward American sportswear came from Jennifer George, who showed slim pants or front-split long skirts with well-proportioned tunic tops. They

came in fabrics from wool, jersey and shiny rainwear, through cashmere knit or satin at night. Michael Kors made sportswear glamorous by shugging deep-pile alpaca coats over a beaded sweater and narrow pants, wrapping tactile suede blouses above club check skirts. The show was full of fine things, but relied on the supermodels to give substance to simple clothes.

For Anne Klein, designer Louis Dell'Olio sent out every current trend — pantsuits, leather, stretch pants, maxi coats, cable knits, lacing, western chaps, fringe, corset belts and the color red. It was offered without a twist of irony or wit, but offered a professional and commercial overview of the fashion options of the season.

Donna Karan understands the need to ruffle the calm waters of basic sportswear. She staged a bagel-and-pizza party on the rooftop terrace of the new showrooms for her lower-priced DKNY line. Karan's daughter Gaby and family were just some of the models posed on white blocks showing off jeans with plaid jackets, rugged sweaters, black-wash-tartan fringe-skirts and tailored riding jackets. The hip presentation caught the mix-it-up spirit of New York style.

ART



The height of Cubist expressionism: Sofa designed by Josef Gocar, 1914.

When Cubism Thrived in Prague

By Michael Gibson International Herald Tribune

PARIS — About the time Cubism was dying out in Paris, it suddenly began to bloom in Prague. That was around 1910, and Czech writers and artists were eager to banish new ideas with France, since this allowed them to distance themselves from Austria. Such is the political mood of the period dealt with in the exhibition of "Czech Cubism: 1910-1925" at the Pompidou Center.

Czech Cubism differs from the French variety in that it extended systematically to many other areas: to architecture, where innovation led to some interesting results (Josef Chochol's buildings in Prague, for instance), but also to furniture and tableware. The result in these last two domains can sometimes be unsettling.

The furniture, represented by 65 specimens, often suggests a postmodern designer's nightmare: the backs of sofas rise to Himalayan peaks, cupboards seem to have been specially designed for Batman's den, chairs bulge in all the wrong places and are obviously not intended to be comfortable — they are there to make the statement of the day; who needs Austria!

While dreadful when first produced, much of this may strike one as rather endearing 80 years later, after a few generations have been born and died in apartments furnished in this often absurd fashion.

THE 50 Cubist paintings exhibited are predictable enough as a whole, despite a willful admixture of Expressionism that shifts the tone of the paintings from the familiar multifaceted structure worked out by Picasso and Braque, to a rebellious outcropping of the baroque in which straight lines have taken the place of curves.

The Czech movement, which includes a Cubist painter appropriately named Bohumil Kubista, was illustrated by the forceful sculpture of Otto Gutfreund, and by the paintings of Emil Filla, which are no doubt the closest thing to French Cubism then to be found in Prague.

Extending into the '20s, the Prague movement engendered "Rondo-Cubism," characterized by an abundant use of semicircles, which affected architecture and design. There is nothing really cubistic about this movement — illustrated here by office furniture that is both ponderous and highly mannered, and pictures of a couple of rather fine buildings, including the Czechoslovakian Legion Bank of 1922-23.

Also displayed are stage sets by Josef Svoboda, a powerfully imaginative and prolific designer who has created 60 sets so far in his career.

The Beaubourg show, which includes scale models, photos and video, was inaugurated in



Bohumil Kubista: "Le Baiser de la Mort" (detail), 1912.

the presence of the artist by an enthusiastic Giorgio Strehler, director of the Théâtre d'Europe, for whom Svoboda has just designed sets for Goethe's "Faust."

Meanwhile, the Musée d'Art Moderne de la Ville de Paris is offering a retrospective of yet another Czech artist, the painter Josef Sima (1891-1971). Sima, born in Bohemia, moved to France at the age of 30 and remained there the rest of his life.

He was among the founders of a movement of artists and writers known as "Le Grand Jeu," whose principles were laid out in a magazine published just three times under that name. The movement had points in common with the Surrealist movement that was taking form at the same time: the use of drugs, experiments involving clairvoyance and other elements, but its members were also inclined to natural mysticism and did not share the Surrealists' political views.

One of the movement's key figures was the poet René Daumal who once hyperbolically addressed André Breton in the pages of his magazine: "Beware, André Breton, of being ensnared in literary history manuals. As for ourselves, to the extent that we seek any

honor, it is to be placed by posterity in the history of cataclysms."

Be that as it may, Sima's far from cataclysmic painting was subtly influenced by the quasi-religious preoccupations of his friends, and the show's major merit is that it reveals his unexpected growth from a still immature painter turning out heavy and rather uninspired work in his early years, into an artist who created some splendidly ethereal, abstract and luminous paintings in the last 20 years of his life.

It was this last phase that Meyer Shapiro had in mind when he described Sima's work as "light within light." The figure is appropriate, for these paintings, one or two of which are very large, manage to suggest a light, both dazzling and warm, glowing through luminous white clouds in an indefinable space.

This is the single great achievement of Sima's work, and will ensure his lasting significance as an artist.

The same museum is also showing selected works by 15 Czech artists from Prague and Bratislava. The eldest of these, Vaclav Bostik, born in 1913, appears to show certain affinities with Sima.

Most of the other artists belong to the younger generation, and while they obviously grew up in a cultural context that is hard for us to imagine — a context in which writers were urged to write poems or novels glorifying the farmers who strove to increase the production of eggs or the fat content in milk — their production looks very much like what countless young artists are doing in France and elsewhere in the West today.

THE difference is really in the context. In 1981, for instance, the artist Ivan Kafka recruited a bunch of small boys who, early one morning, stuck hundreds of fine wooden sticks upright in the cracks between the paving stones of Mala Strana in Prague. The police soon arrived and started removing them. The children moved in behind them, planting others. When the police returned to Mala Strana, so did they. Ultimately, the police gave up.

Such an action obviously loses all significance in any other context. And surely much of what is shown in this exhibition still reflects something of this background of constant repression throughout the years. What the artists themselves write in the catalogue is thoughtful and devoid of the kind of verbal posturing too often favored by Western artists.

Yet the works offer little visual satisfaction. With the exception of Adriana Simotova and Stanislav Kolibal, both of them older artists, the overall approach is conceptual. It may well be that decades of authoritarian doctrine and smoldering rebellion leave little room for choice at the present stage.

"Cubisme tchèque, 1910-1925," to May 17, and "Josef Svoboda," to June 1, at the Pompidou Center; "Sima" and "Prague-Bratislava, d'Une Génération, l'Autre," Musée d'Art Moderne de la Ville de Paris, to June 21.

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Table with 4 columns: Country/Currency, 12 months (2 months FREE), 14 months (newsstand rate), 6 months (1 month FREE). Rows include Australia, Belgium, Denmark, Finland, France, Germany (mail), Greece, Great Britain, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden (airmail), Switzerland, and various international regions.

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Crossword puzzle grid with clues for 'ACROSS' and 'DOWN'. Clues include 'Cancel', 'Convert', 'Clouseau, for one: Abbr.', 'Concordes', 'Warehouse', 'Cheese that's not bad?', 'Quern, e.g.', 'Ballot movement', 'Thereby hangs a tail?', 'Moore's TV boss', 'What Juan washes with', 'Anatomical wrinkle', 'Year 34 as ominous as Orwell's', 'The poet makes himself...', 'Jordan target', 'Discharge', 'Ludlum's "The Ultimatum"', 'Abundance', 'Olfactory stimulus', 'Function', 'Proposal', 'Southwest Conf. team', 'TD's yield six of these', 'These are 2.3 as strenuous for Hitchcock', 'Presley's birthplace', 'Beautician or couturier', 'Loaf for a conquistador', 'Lauder of note', 'To Heaton, these are 2.5 as demagog men', 'Bring up', 'Anthropologist', 'Fossey', 'Saw', 'Dik-dik's cousin', 'Fairy-tale villain', 'Director Kenyon', 'Carpenter's tool', 'Within audible frequencies', 'Dip site', 'Interpret', 'Like keyrion', 'Durge', 'He lost to D.D.E.', 'Extreme', 'Innocent', 'Hubbub', 'praise famous men...', 'Ecclesiasticus', 'Fine-grained chalcodony', 'What Bryan was to Taft', 'Use a certain fork', 'Solway Firth tributary', 'Excellent', 'Word with cap and gown', 'Slattern', 'to (curried favor)', 'More agile', 'Hits hard', 'Miserly', 'Prizes on the Hill', 'Sopranos, at the movies', 'Measure', 'Type of trip', 'Sealing medium', 'Rios, Jamaican resort', 'Color', 'Scottish seaport', 'Clairvoyance', 'Force', 'Exodus' hero', 'Augury', 'Like an otary', 'Charley's Donna Lucia', 'Part of a maision', 'Rope or scope', 'Cave of solipsism', 'Palatable', 'Burbank specialty', 'River duck', 'City of the Nobel Peace Prize', 'Faulkner's "in the Dust"', 'salts', 'That's a moray', 'Trifling sum', 'Not shiny or glossy', 'Puritan', 'Dreyfus or Housman', 'Dist. or pros.', 'Hit sign', 'Bus Stop' author, 'Barber's need', 'On — (active)', 'Long', 'City NW of Orlando', 'Gardener's tool', 'Refine metal', 'Laughter, in Lyon', 'Its capital is Bamako', 'Arabian port', 'Hub', 'Right-triangle ratio', 'Hanks vehicle', 'Frigid'.

Fractions By Alan Arbesfeld crossword puzzle grid with clues for 'ACROSS' and 'DOWN'. Clues include 'All-purpose trks.', 'Where Charon labored', 'Dessert item', 'Exodus' hero', 'Augury', 'Like an otary', 'Charley's Donna Lucia', 'Part of a maision', 'Rope or scope', 'Cave of solipsism', 'Palatable', 'Burbank specialty', 'Color', 'Scottish seaport', 'Clairvoyance', 'Force', 'Exodus' hero', 'Augury', 'Like an otary', 'Charley's Donna Lucia', 'Part of a maision', 'Rope or scope', 'Cave of solipsism', 'Palatable', 'Burbank specialty', 'River duck', 'City of the Nobel Peace Prize', 'Faulkner's "in the Dust"', 'salts', 'That's a moray', 'Trifling sum', 'Not shiny or glossy', 'Puritan', 'Dreyfus or Housman', 'Dist. or pros.', 'Hit sign', 'Bus Stop' author, 'Barber's need', 'On — (active)', 'Long', 'City NW of Orlando', 'Gardener's tool', 'Refine metal', 'Laughter, in Lyon', 'Its capital is Bamako', 'Arabian port', 'Hub', 'Right-triangle ratio', 'Hanks vehicle', 'Frigid'.

Handwritten Arabic text: 'كلنا في الأصل' (We are all originally).

NYSE

Friday's Closing
Tables include the following prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Stock	High	Low	Open	Close	Change
IBM	115 1/4	114 3/4	115 1/4	115 1/4	+1/4
Microsoft	68 1/2	67 1/2	68 1/2	68 1/2	+1/2
Apple	54 1/2	53 1/2	54 1/2	54 1/2	+1/2
Oracle	48 1/2	47 1/2	48 1/2	48 1/2	+1/2
Novell	42 1/2	41 1/2	42 1/2	42 1/2	+1/2
Lotus	38 1/2	37 1/2	38 1/2	38 1/2	+1/2
McAfee	34 1/2	33 1/2	34 1/2	34 1/2	+1/2
Compaq	30 1/2	29 1/2	30 1/2	30 1/2	+1/2
PerkinElmer	26 1/2	25 1/2	26 1/2	26 1/2	+1/2
3M	22 1/2	21 1/2	22 1/2	22 1/2	+1/2
Eastman	18 1/2	17 1/2	18 1/2	18 1/2	+1/2
Amgen	14 1/2	13 1/2	14 1/2	14 1/2	+1/2
Genentech	10 1/2	9 1/2	10 1/2	10 1/2	+1/2
Amgen	8 1/2	7 1/2	8 1/2	8 1/2	+1/2
Amgen	6 1/2	5 1/2	6 1/2	6 1/2	+1/2
Amgen	4 1/2	3 1/2	4 1/2	4 1/2	+1/2
Amgen	2 1/2	1 1/2	2 1/2	2 1/2	+1/2

Stocks
 The New York Stock Exchange closed higher on Friday, with the Dow Jones Industrial Average rising 100.58 points to 2,811.45. The S&P 500 index advanced 15.23 points to 345.12. The NYSE volume was 1.1 billion shares, with 1,100 issues traded. The market was characterized by a steady rise in technology and health care stocks, while financial and utility shares were relatively flat. Notable gains were seen in IBM, Microsoft, and Oracle, while General Electric and American Express were among the losers.

Bonds
 Treasury bonds fell on Friday, with the 10-year note dropping 1/8 point to 117 1/8. The 30-year bond fell 1/4 point to 121 1/4. The yield curve remained inverted, with short-term rates higher than long-term rates. The market was influenced by reports of a possible rate hike by the Federal Reserve in the near future.

Commodities
 Oil prices rose on Friday, with West Texas Intermediate crude oil up 1.25 dollars to 22.50. Natural gas prices were mixed, with Henry Hub up 1 cent to 2.85. Gold prices were stable, trading at 385.00 per ounce. Silver prices rose 1 cent to 5.15 per ounce.

Foreign Exchange
 The dollar strengthened against the yen and the mark on Friday. The dollar rose 1.5 cents to 148.50 yen. The dollar also gained 1.0 cent to 1.75 marks. The British pound fell 1.0 cent to 1.65 dollars. The Swiss franc was stable at 1.45 dollars.

Technology
 The technology sector led the market's advance on Friday. IBM rose 1/4 point to 115 1/4. Microsoft advanced 1/2 point to 68 1/2. Oracle gained 1/2 point to 48 1/2. Other notable gains were seen in Novell, Lotus, and Compaq. The sector's performance was supported by reports of strong earnings and optimistic analyst forecasts.

Health Care
 Health care stocks also showed significant gains. Amgen rose 1/2 point to 14 1/2. Genentech advanced 1/2 point to 10 1/2. The sector's performance was driven by news of new drug approvals and strong clinical trial results.

Financials
 Financial stocks were mostly flat on Friday. American Express fell 1/2 point to 45 1/2. Citigroup rose 1/4 point to 38 1/2. The sector's performance was mixed, reflecting concerns about the economy and interest rate changes.

Utilities
 Utility stocks were generally stable on Friday. The sector's performance was influenced by reports of a possible rate hike by the Federal Reserve, which could impact utility earnings.

Market Outlook
 The market's advance on Friday suggests a continued recovery in investor confidence. However, the inverted yield curve and reports of a possible rate hike by the Federal Reserve remain key concerns. Investors should continue to monitor economic data and central bank actions for further market direction.

Analyst Views
 Analysts remain bullish on the technology and health care sectors, citing strong earnings and growth potential. However, they are more cautious about the financial and utility sectors, particularly in light of the potential for a rate hike.

Global Markets
 The London Stock Exchange closed higher on Friday, with the FTSE 100 index rising 15.23 points to 3,451.23. The Nikkei 225 index advanced 15.23 points to 14,512.34. The Hang Seng index rose 15.23 points to 8,451.23. Global markets were generally positive, reflecting the market's advance in New York.

Commodities
 Oil prices rose on Friday, with West Texas Intermediate crude oil up 1.25 dollars to 22.50. Natural gas prices were mixed, with Henry Hub up 1 cent to 2.85. Gold prices were stable, trading at 385.00 per ounce. Silver prices rose 1 cent to 5.15 per ounce.

News
 The market's advance on Friday was driven by reports of strong earnings and optimistic analyst forecasts. However, the inverted yield curve and reports of a possible rate hike by the Federal Reserve remain key concerns. Investors should continue to monitor economic data and central bank actions for further market direction.

Analyst Views
 Analysts remain bullish on the technology and health care sectors, citing strong earnings and growth potential. However, they are more cautious about the financial and utility sectors, particularly in light of the potential for a rate hike.



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ECONOMIC
 The Old

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BEST RATE

ECONOMIC SCENE

Taking a New Accounting Of the Old Deficit Game

By Peter Passell New York Times Service

NEW YORK — Everybody knows that a bigger U.S. budget deficit would be bad news. Everybody, that is, except the 100 heavyweight economists...

'Generational Accounting' challenges the logic behind budget arithmetic.

Confused? Read on at your peril. The rationales for taking the deficit figures with a grain of salt are many and varied.

Others point out that all deficits are not created equal. An extra billion invested in education to make sure Johnny can read by the time he graduates from junior college is not the same, say, as an extra billion in tax cuts to help families pay their heating bills.

BT NONE of these qualifications touch the issue addressed in "Generational Accounting," a new book by the Boston University economist Lawrence H. White...

The core objection to deficit spending for consumption today is that it comes at the expense of consumption tomorrow...

In the 1950s, for example, a period of seining fiscal prudence, Washington voted to increase Social Security pensions without taxing the likely recipients...

CURRENCY RATES

Table with columns for City, Bid, Ask, etc. for various locations like Amsterdam, London, Tokyo.

INTEREST RATES

Table with columns for Instrument, Rate, etc. for various interest-bearing instruments.

Key Money Rates

Table with columns for Instrument, Rate, etc. for various money market instruments.

Asian Dollar Deposits

Table with columns for Bank, Instrument, Rate, etc. for various Asian dollar deposits.

U.S. Money Market Funds

Table with columns for Fund, Yield, etc. for various U.S. money market funds.

GOLD

Table with columns for Instrument, Price, etc. for various gold-related instruments.

American Airlines Gambles Big on Fares

By Agis Salpukas New York Times Service

NEW YORK — The move this week by Robert L. Crandall, chairman of American Airlines, to overhaul the carrier's convoluted fare system is not only aimed at persuading more people to fly...

European and Asian Lines Will Wait

American Airlines' move to reorganize fares in the United States will not immediately be followed in Europe or Asia, airlines there said Friday.

Sabena and Air France Tie Knot

BRUSSELS — Sabena's long search for a larger partner to help it develop Brussels international airport as a major European travel hub ended Friday as it signed a partnership agreement with Air France.

Sweden: Deregulation by Summer

STOCKHOLM — Deregulation of Sweden's domestic airline industry will likely begin by summer, the Communications Ministry said Friday after the legislature passed a directive.

Thomson-CSF Gets LTV Nod

NEW YORK — A bankruptcy court judge on Friday approved the sale of the aerospace unit of LTV Corp. to a group led by the French electronics company Thomson-CSF for \$450 million.

U.S. Consumer Prices Sharply Higher in March

By Lawrence Malkin International Herald Tribune

NEW YORK — Consumer prices rose in March at an unsettling annual rate of 6 percent, the Labor Department said Friday, but officials and private economists portrayed the figure as a statistical aberration.

Ailing MGM Continues to Count the Cost of Parretti's Reign

By David Willman Los Angeles Times Service

LOS ANGELES — With all the urgency of a struggle for survival, executives at the historic but ailing MGM studio are sifting through the accounts, trying to find where the money went during the free-wheeling reign of the Italian financier Giancarlo Parretti.

The epitaph in progress for Mr. Parretti at the company he renamed MGM-Pathe Communications Corp. sounds something like this: He came. He saw. He squandered.

payments at double-the-market rates for travel on jets owned by another of Mr. Parretti's 500 or more companies.

Next it is the top-of-the-line BMW sedan provided to the manager of a trendy restaurant owned by Mr. Parretti, once a waiter himself.

Two months after a judge stripped him of any remaining corporate control, the epitaph in progress for Mr. Parretti at what is now called MGM-Pathe Communications Corp. sounds something like this: He came. He saw. He squandered.

And as executives prepare to report Mr. Parretti's transactions to shareholders and the Securities and Exchange Commission, observers wonder whether the studio that made such classics as "The Wizard of Oz" and "Gone With the Wind" can regain its long-dimmed luster.

It was less than two years ago, in November 1990, that Mr. Parretti strolled Hollywood and Wall Street by amassing the financing to buy MGM for \$1.3 billion. After court decisions last December and February stripped him of control, Mr. Parretti, 50, returned to Italy, where early this year he served a brief stint in jail in connection with pending tax evasion charges.

Through a spokesman in Los Angeles, Mr. Parretti said Thursday that he did nothing wrong as the head of MGM and its parent company, Pathe Communications Corp. "He categorically denies any wrongdoing in transactions between Pathe and MGM-Pathe," said the spokesman.

Mr. Parretti has blamed the studio's financial calamities on enemies out to sabotage him, and has vowed to return someday to take control. Sources familiar with his tenure at MGM say that his dealings show him to be a man who wanted to build a global empire of movie production and distribution, but who oversaw transactions not always in the company's best interest.

ECU D'OR 20 boulevard Emmanuel Servais L-2535 Luxembourg. AVIS AUX ACTIONNAIRES. L'ASSEMBLEE GENERALE DES ACTIONNAIRES.

production and distribution, but who oversaw transactions not always in the company's best interest: When Mr. Parretti traveled to Europe or other destinations, he flew chartered jets owned by Interfly, one of his companies. At a time when fully equipped chartered flights were going for \$3,000 to \$5,000 an hour, Interfly typically charged MGM \$8,000 an hour.

Mr. Parretti's spokesman: "He doesn't believe the rates were higher than standard." About 20 acres (8 hectares) of MGM-Pathe land outside Paris, on the Marne River, was sold last May for 105,000 French francs (about \$18,000) to a company controlled by Mr. Parretti's wife, Maria Ceccone.

In addition to the restaurant manager, six other Parretti associates, including his daughter, Valentina Parretti, were provided cars. Officials at MGM-Pathe Communications recently withdrew the use of several cars.

INGERSOLL-RAND COMPANY (CDB). XEROX CORPORATION (CDR). The undersigned announces that the Annual Report 1991 of Ingersoll-Rand Company will be available in Amsterdam at ABN-AMRO BANK N.V.

STAR CONVERTIBLE FUND 20 boulevard Emmanuel Servais L-2535 Luxembourg. AVIS AUX ACTIONNAIRES. L'ASSEMBLEE GENERALE DES ACTIONNAIRES.

London Stocks Surge 5.6% on Tory Victory

By Erik Ipsen International Herald Tribune

LONDON — The London stock market reacted with great glee on Friday to the surprise victory of the Tories in the general election, posting near-record gains in what was called the heaviest trading ever.

The FTSE went as high as 2,587, a few points above the year's high and just 96 points short of its all-time peak before profit-taking pulled it back down.

London's surge followed the fifth-biggest single-day gain ever for the Tokyo stock market. The Nikkei 225-stock average climbed 1,252.51 points to 17,850.66. The pound soared nearly three pennings against the Deutsche mark.

Many economists pointed out that the number of unemployed people is still rising by about 40,000 a month. Britain also continues to import far more than it exports, even as demand remains weak and the recovery has yet to begin.

Still, most analysts said that the Conservative victory would hasten a cut in interest rates. Market speculation grew early Friday that the base rate might be cut half a point. Although the Bank of England signaled late in the morning that it was happy with the present rate of 10.5 percent, many traders see See LONDON, Page 11

Through his spokesman, Mr. Parretti said that the restaurant manager's car was provided by another company he owns, Pathe-Roma — not the studio.

LEICOM FUND SICAV 20, Boulevard Emmanuel Servais L-2535 Luxembourg. AVIS AUX ACTIONNAIRES. Messieurs les actionnaires sont convoqués par le présent avis à L'ASSEMBLEE GENERALE ORDINAIRE DES ACTIONNAIRES.

ANNOUNCING The International Franchise Conference European Opportunities & Investments. Hotel Eurobuilding • Madrid, Spain • May 27-28, 1992.

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MARKET DIARY

Dollar Rises in N.Y. Amid Buy Orders

The dollar ended at 1.6365 Deutsche marks, after 1.6167 at the previous close, and also at 132.90 yen...

In London, the pound was the object of heavy demand after frantic all-night trading and strong buying in the Far East...

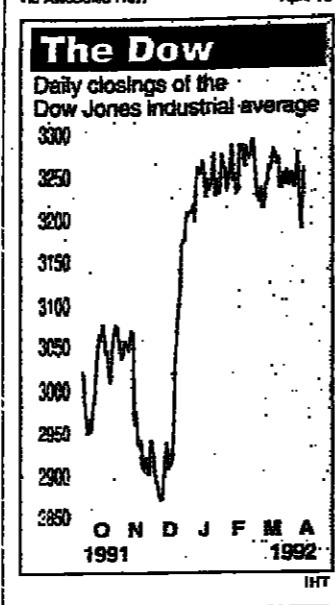


Table with columns: Open, High, Low, Close, Chg. for Dow Jones Averages.

Table with columns: High, Low, Close, Chg. for Standard & Poor's Indexes.

Table with columns: High, Low, Close, Chg. for NYSE Indexes.

Table with columns: High, Low, Close, Chg. for NASDAQ Indexes.

Table with columns: High, Low, Close, Chg. for AMEX Stock Index.

Table with columns: Close, Chg. for Dow Jones Bond Averages.

Table with columns: High, Low, Close, Chg. for Market Sales.

Table with columns: Buy, Sell, Shares, % for N.Y.S.E. Odd-Lot Trading.

Table with columns: Strike, Call, Put, Price, % for S&P 100 Index Options.

Table with columns: Close, Prev. for Amex Diary.

Table with columns: Close, Prev. for NASDAQ Diary.

TOKYO: A 'Strength' Backfires

The shareholdings of the 14 largest banks are still worth a lot more than the banks paid originally...

Prices on the New York Stock Exchange finished higher Friday after spectacular market rallies in Tokyo and London...

NYSE Most Actives

Table listing NYSE Most Actives with columns: Val., High, Low, Last, Chg.

AMEX Most Actives

Table listing AMEX Most Actives with columns: Val., High, Low, Last, Chg.

NYSE Diary

Table listing NYSE Diary with columns: Close, Prev.

Amex Diary

Table listing Amex Diary with columns: Close, Prev.

NASDAQ Diary

Table listing NASDAQ Diary with columns: Close, Prev.

EUROPEAN FUTURES

Table with columns: Class, High, Low, Prev. Close for Food.

Table with columns: Class, High, Low, Prev. Close for Metals.

Table with columns: Class, High, Low, Prev. Close for Financial.

Table with columns: Class, High, Low, Prev. Close for Grains.

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GERMAN GOVERNMENT BOND (LIPPED)

Table with columns: High, Low, Close, Change for German Government Bond.

Table with columns: High, Low, Close, Change for Industrials.

Table with columns: High, Low, Close, Change for Stock Indexes.

Table with columns: High, Low, Close, Change for Spot Commodities.

Table with columns: High, Low, Close, Change for Dividends.

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Banker to Stay at O&Y Ahead of Creditors' Talks

TORONTO (Combined Dispatches) — The troubled real estate giant Olympia & York Development Ltd. said Friday it had redefined the role of the New York banker Thomas Johnson...

The restituting of O&Y's top ranks may be a signal the company will make stiff demands on its lenders at a meeting with nearly 100 creditor banks...

SEC Cracks Down on Penny Stocks

WASHINGTON (Bloomberg) — The Securities and Exchange Commission on Friday approved new rules to crack down on penny stock fraud...

The rules require broker-dealers to better disclose information on transactions in penny stocks, which are stocks that sell for less than \$5 a share...

Westinghouse Has \$246 Million Loss

PITTSBURGH (Reuters) — Westinghouse Electric Corp. on Friday reported a \$246 million loss in the first quarter, which it attributed to a charge to cover its employees' retirement benefits...

The loss compared with a profit of \$98 million in the year-earlier quarter, and was caused by a charge necessitated by new accounting standards...

Caterpillar-UAW Talks to Resume

CHICAGO (Reuters) — Caterpillar Inc. and the United Auto Workers union have agreed to resume talks in a bid to end the most bitter U.S. labor-management showdown in a decade...

The Federal Mediation and Conciliation Service said that the two agreed to meet again soon and that neither party had placed any conditions on participation...

WORLD STOCK MARKETS

Large table listing world stock markets with columns: Country, Index Name, High, Low, Close, Change.

GATT Will Admit Talks Are Blocked

GENEVA (Reuters) — The General Agreement on Tariffs and Trade has called a meeting of negotiators to report that the Uruguay Round of trade talks is paralyzed after almost six years...

U.S. FUTURES

Table listing U.S. futures markets with columns: Contract, High, Low, Close, Change.

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Table listing U.S. futures markets with columns: Contract, High, Low, Close, Change.

Vertical advertisement on the right edge of the page, partially cut off, with text including 'Asia's New As Receiv...' and 'NASDAQ Friday 11-12-92'.

Adia's Net Profit Fell 63% Last Year As Recession Dried Up Jobs Services

Compiled by Our Staff From Dispatches
LAUSANNE, Switzerland — Adia SA, the world's second-largest employment agency, reported Friday that 1991 group net profit plunged 63 percent as recession hit the company even as it moved to sell off units.

Adia's chief executive, Nico Isenmann said Friday that Omai's collapse had left Adia in a "critical situation."
He said at a news conference that revenue in the first quarter of 1992 was 5 percent higher than in that quarter 1991. But he said he still expected "another difficult year."
He said, "Even if the economic

recession, no dividend was paid in 1990. The company's shares, which at the height of its expansion phase in 1989 stood at about 2,500 francs, rose 13 francs to close at 417 on Friday in Zurich.
Last year, Adia sold both its Proctex security subsidiary and its stake in engineering consultancy UEC Universal Ingenieur AG. But it also bought the Swiss employment firm Ideal Job AG to boost its share of the Swiss market to over 25 percent.

The new management says Adia was left in a 'critical situation' by the collapse of its former parent.

Operating profit in the recession-sensitive temporary employment business, the core sector on which Adia intends to concentrate, fell to 43 million francs from 149 million.
The Swiss businessman Klaus Jacobs and the German retailer Asko Deutsche Kaufhaus AG bought control of Adia last year from Omai Holding AG, the collapsed flagship of the financier Werner Rey.

They have had to cope with the double blow of a severe economic downturn that hit Adia's employment business, especially in the United States, and the crippling legacy of Mr. Rey's aggressive expansion into a services conglomerate.
They opted to trim Adia with a steady divestment program aimed at slashing debts and simplifying its structure.

Most of its Meridian computer leasing firm's European business has been sold, and Mr. Isenmann said he expected news on the sale of Meridian's U.S. operations by mid-year.
He said the divestments had cut Adia's total net debt during 1991 by about 300 million francs to 1.3 billion francs.
Talks on the sale of three other units — Interactive Technologies Inc., OIS PLC and Inspectorate SA — are in the "very final" stages, he said.

He added that by the end of the divestment program net debt would be about 500 million francs. In December, Adia's holding company set aside 400 million francs in provisions for the cost of paying the company down.
(Reuters, AFP)

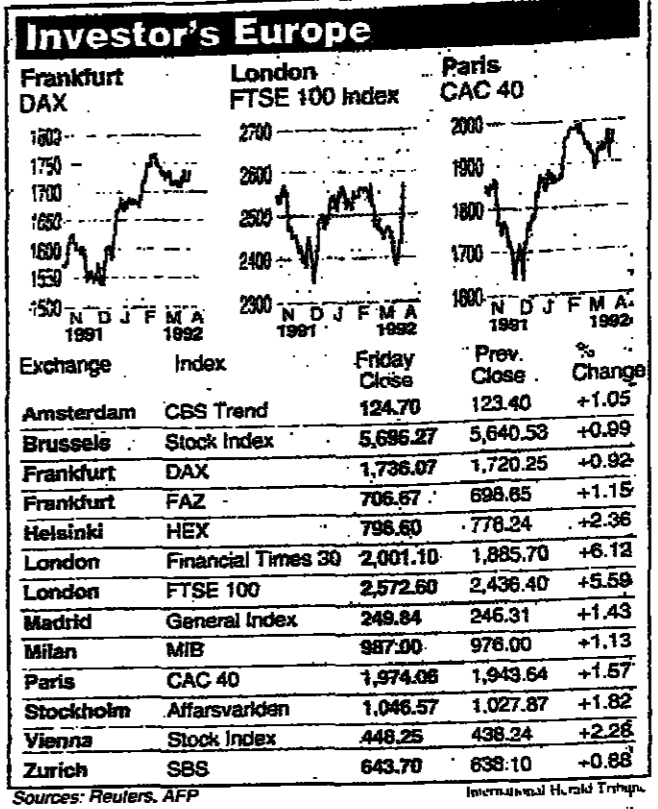
VW's Battle May Be Within New Top 2 Managers: A Study in Contrasts

Compiled by Our Staff From Dispatches
WOLFSBURG, Germany — Volkswagen has chosen an Austrian-French management team with a mission to beat its Japanese competitors, but whose contrasting styles have led to industry speculation that much of the competition may be within Europe's largest carmaker, and soon.
Meeting Friday, Volkswagen AG's board confirmed Ferdinand Piëch, an Austrian, as head of the company, effective Jan. 1. Daniel Goeudevert, a Frenchman, was confirmed as his deputy chairman. Der Spiegel magazine, expecting the confirmation of the appointments that were made two weeks ago, wrote this week: "The result is clear — the two men will be fighting over turf."
Analysts welcomed the changes, saying an overhaul of VW's finance was long overdue. But many were skeptical the men could bridge the gulf in their philosophies and personalities.

brand division, is seen as a charming team player who uses television talk shows to promote his ideas on the need for carmakers to pay greater attention to ecological concerns. Mr. Goeudevert had been expected by some to succeed Mr. Hahn.
Simon Rowe at the British brokerage Smith New Court said any efforts to bring VW's soaring costs under control would be welcome.
"There is bound to be a bit of tension between the two people, but almost anything would be an improvement from the past 18 months, where it has become clear that Volkswagen's underlying business is not making any profits at all," he said.

Mr. Piëch, 54, loves fast cars and has a reputation as a brilliant engineer. But he is also described as a bristly and querulous manager. Mr. Piëch, head of VW's Audi AG unit, succeeds Carl H. Hahn at the helm of the parent.
Mr. Goeudevert, 50, until now head of the VW

But several magazines have reported that VW made a large operating loss in its core automotive business, although VW has not released any figures on operating earnings.
(Reuters, UPI, AP)



Very briefly:

- Guardian & Manchester Evening News PLC, publisher of The Guardian, said it wants to buy Lorbro PLC's Sunday newspaper The Observer.
- Outokumpu Ecocore, a subsidiary of Outokumpu Oy of Finland, won a 33 million markka (\$7.4 million) contract to build a trash incinerator for the town of Udine in Italy.
- Ferruzzi Finanziaria SpA restructured its Spanish insurance brokerage through the acquisition of a 75 percent stake in Nikols Iberia by CNL-Nikols, jointly owned by Consorcio Nacional de Leasing and Ferruzzi.
- Banca della Svizzera Italiana's stockholders approved plans by the majority shareholder, Swiss Bank Corp., to form a private banking group; BSI will sell its domestic branches outside the Italian-speaking part of Switzerland to SBC and will acquire four private banks held by SBC.
- Degussa AG, the chemicals and precious metals conglomerate, said group sales in the six months that ended in March dropped 7 percent to 6.1 billion Deutsche marks (\$3.7 billion) from the year-earlier period; group profit was "slightly" higher, it said, without giving figures.
- Gebrüder Sulzer AG, the Swiss engineering and textile machinery maker, said group net profit last year fell 23.2 percent to 119 million francs (\$80.2 million); sales rose 4 percent.
- Hochtief AG, Germany's second-largest construction group, listed its dividend on 1991 results to 12 DM per share from 10 DM.
(AFX, Bloomberg, Reuters)

MGM: The Cost of Parretti's Reign

(Continued from first finance page)
Ultimately, Pathe kept control of the theaters — but not without concluding the negotiations by paying \$60 million to Renta.
From the studio's headquarters in Culver City, California, MGM's newly installed team of executives is trying to win back the confidence of writers, directors and actors needed to help create a new generation of successful movies.
Still, the deepest pocket at risk is Crédit Lyonnais. In addition to forcing Mr. Parretti out, the bank over the last year has sunk an additional \$300 million into MGM-Pathe's operations.
By its actions, Crédit Lyonnais has signaled that, rather than quickly cut its losses, it will attempt to help restore the company's stature — and perhaps part of its lost value.
Crédit Lyonnais's loans to Mr. Parretti — who Italian court records show was convicted seven times for passing bad checks from 1974 to 1980 and imprisoned 11 months in 1977 for making a separate "false representation" — have generated criticism from French legislators.

Rising Job Losses In Europe's Arms Industries Seen

STOCKHOLM — The Stockholm International Peace Research Institute predicts that between 185,000 and 350,000 jobs will be lost in Western Europe's arms industry by 1995.
A total of 150,000 jobs were lost in arms production in 1988-89, and 150,000 more in 1990, the institute said in a recent publication. From the mid-1980s level of 1.5 million, the number of jobs directly dependent on arms production in European members of NATO will fall by 1995 to 980,000, it predicted.
According to the authors, three factors lie behind the profound restructuring of the arms industry taking place in Western Europe: East-West détente, the creation of a single European market, and the pressure of exchanging increasingly complex technology.
The result is a rapidly increasing concentration of European arms companies.

LONDON: Stocks Surge on Conservatives' Victory

(Continued from first finance page)
year to 59 percent, those consumers who still have money to spend can now spend it in confidence.
At the same time, financial analysts did not see much cheer in the economic policies of the Conservative, despite the party's victory. Mr. Turnbull said, "The Tories have mismanaged the economy dreadfully and Labor would only have done worse."
With John Major's exceedingly quiet campaign having come up with no new solutions or programs for what ails Britain, most economists have simply tossed away their

LONDON: Stocks Surge on Conservatives' Victory

(Continued from first finance page)
mained convinced that such a move would occur by May.

Steven Bell, chief economist for Morgan Grenfell, said, "The market has now more or less discounted the half-point cut."
Also increasingly factored into the price of equities is a sizable increase in spending for cars, major appliances and housing. Freed from worries over Labor's plans to boost the top rate of tax for those earning over £40,000 (\$70,000) a

carefully crafted scenarios for economic life under Labor and returned to pre-election forecasts.
Once again they talk about policymakers whose options are severely limited by the necessity of having to follow the Bundesbank's lead on monetary policy and by the stubbornness of the grip of the economic slump on many of Britain's leading trading partners.
"We always thought it wouldn't make much difference who won," said Jim O'Neill, a strategist with Swiss Bank Corp. in London.

FARES: American Airlines in a Long-Range Gamble

(Continued from first finance page)
commands about a fifth of the U.S. airline market, has historically been more sensitive to changes in the market than executives of other carriers. American, for example, has a computer system that tracks trends and a staff that has developed broad long-term changes.
To make his fare reorganization stick, Mr. Crandall is counting on the increasing concern among carriers over the erosion of what had been one of the industry's most stable bases of revenue — the business traveler.

Because most business executives travel on company expense and corporations consider travel a necessity, past fare increases have been swallowed with little protest.
But fares reached such high levels that many corporations began to fight back.
Mr. Crandall said it was typical for a representative of a large company to show him a letter from another carrier offering a 40 percent discount and then ask him to offer 42 percent.

RVI to Cut 1,000 Jobs in France

LYON — Renault Vehicules Industriels, the bus and truck arm of the French state-controlled automotive company, said Friday it would cut its work force in France by 5.8 percent and reduce output to cope with a weak market.
A total of 1,008 out of about 17,400 jobs will be eliminated, said RVI's chairman, Jean-Pierre Capron. Another 200 jobs will be cut at the company's Mack Trucks Inc. subsidiary in the United States, he said. Mack has a work force of about 5,400.
Mr. Capron said RVI would cut production to 40,000 vehicles this year from 44,000 in 1991. "We are certain the market for heavy vehicles will turn lower in 1992," he said.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table with multiple columns: Symbol, Price, Change, Volume, etc. Lists various stocks and their market performance.

هذا من الاول

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AMEX

Friday's 3 p.m.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

17 Month	High	Low	Stock	Div	Yield %	52 High	52 Low	Low	Open
7%	43.74	43.74	AT&T	1.10	2.5	145	145	43.74	43.74
7%	41.00	41.00	IBM	1.00	2.4	135	135	41.00	41.00
7%	40.00	40.00	AMC	0.80	2.0	120	120	40.00	40.00
7%	35.00	35.00	ARC	0.70	2.0	110	110	35.00	35.00
7%	30.00	30.00	AT&T	0.60	2.0	100	100	30.00	30.00

12 Month	High	Low	Stock	Div	Yield %	52 High	52 Low	Low	Open
7%	10.00	10.00	AT&T	0.20	2.0	30	30	10.00	10.00
7%	10.00	10.00	IBM	0.20	2.0	30	30	10.00	10.00
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7%	10.00	10.00	ARC	0.20	2.0	30	30	10.00	10.00

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FRENCH COMPANY HANDBOOK 1991

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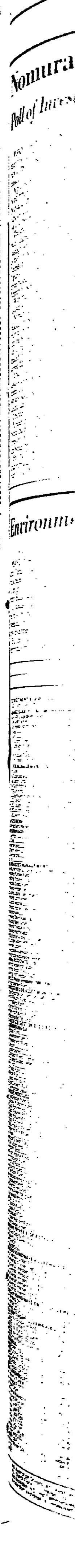
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NYSE Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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ASIA/PACIFIC

Nomura's Vox Populi Bond Poll of Investors Is to Set Price of THK Issue

Bloomberg Business News TOKYO — Nomura Securities Co. said Friday that it would poll investors to decide the price of a new corporate bond for THK Co., a machine tool maker.

Nomura says it will give investors a better idea about what price they can expect on the bond. The traditional pricing system hindered the growth of Japan's domestic corporate bond market because of difficulty investors have in determining a fair market price for corporate debt.

Indosuez To Open in Vietnam

Compiled by Our Staff From Dispatches HANOI — Banque Indosuez on Friday became the first foreign bank granted permission to open a branch in Vietnam since 1975.

With a Caveat, Colony Approves China Funds

Compiled by Our Staff From Dispatches HONG KONG — The colony's securities watchdog said Friday that it would allow funds that invest in Chinese shares to be offered to the public in Hong Kong, but warned investors that the young Chinese market was highly risky.

Investor's Asia table with columns for Hong Kong Hang Seng, Singapore Straits Times, and Tokyo Nikkei 225. Includes a line graph showing index trends from 1981 to 1992.

Environmental Loss Saps Growth, ADB Warns

Compiled by Our Staff From Dispatches MANILA — Led by Malaysia, Thailand and China, Asia's dynamic economies will back recession elsewhere in the world to post faster growth this year, the Asian Development Bank said on Saturday.

structure bottlenecks and rapid population growth could pare gains in some Asian states. The bank's annual Asian Development Outlook predicted that Asia would lose its place to the Middle East as the world's fastest growing region in 1992.

about 7.5 percent. The stimulus to economic growth will come mainly from domestic demand. A rapid increase in real incomes of urban residents and a gradual recovery of rural income will push up consumption.

4 Hyundai Executives Held

Compiled by Our Staff From Dispatches SEOUL — Prosecutors have arrested four executives of the Hyundai group's shipping subsidiary for allegedly evading millions of dollars in taxes, officials said Friday.

Patent Talks Fail in Taiwan

TAIPEI — Talks between Taiwan and the United States this week on protecting patents and copyrights have broken down, and Taipei may face trade sanctions as a result, officials said Friday.

A Cheaper Car in Store for China

BEIJING — The joint venture carmaker Shanghai Volkswagen plans to market a new, reduced-price version of its popular Santana sedan in 1995 to relieve shortages in the domestic market, officials said on Friday.

Large table of international fund listings under the heading 'INTERNATIONAL FUNDS' dated April 10, 1992. Includes columns for fund names, managers, and performance metrics.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 52 12.

THE MONEY REPORT

FIRST COLUMN

Caution on Stocks After Japan Jolt

A New Look At Markets For the '90s

By Conrad de Aenlle and Tom Buerkle

THEY drew relatively little notice at first, but two events in 1982 would shape the financial history of the 1980s: Mexico's first default on its bank loans and the bottoming out of the U.S. stock market.

What a difference a decade makes. In this past week, Argentina agreed to restructure its commercial bank debt, a deal Citicorp claimed would virtually end the debt crisis triggered by Mexico.

Meanwhile, the world's major stock markets after a decade of growth ushered in by Wall Street's historic revaluation, showed signs of cracking as Tokyo's long tailspin finally touched nerves in New York and Europe.

It's all enough to give an investor a new-found respect for cycles.

HERE'S no secret why the developing world's basket cases of the 1980s are the emerging market stars of the '90s. The formula is standard: Adopt a realistic exchange rate and sound money, cut back the size of the state, privatize, lower tariffs. In short, integrate with the world economy and use the comparative advantage of low wages to spur growth and attract capital.

The developed world, however, seems to have lost its touch. The United States and Britain are having trouble emerging from their longest postwar recessions while Germany and Japan continue to weaken. And the major countries so far have been unable to reach a new trade agreement that might help lift them out of the morass.

The sluggishness has to be worrying for stock market investors. A big part of the gains made in stocks in the 1980s stemmed not just from economic growth itself but from a revaluation of financial assets as governments tamed inflation and cut taxes. Without strong economic and earnings growth, stocks could stagnate and today's high valuations could unravel.

IN a testament to the fickleness of market sentiment, the incipient panic that touched the major stock markets at mid-week turned to something verging on euphoria by the end of the week. Tokyo staged a long-overdue rebound, easier credit cheered Wall Street and a surprising Conservative victory in Britain sent prices soaring in the City of London.

The confidence on Friday was encouraging, but such a sudden shift in sentiment should raise eyebrows. Is this volatility the sign of markets preparing for a new bull run, or getting ready for a big fall?

With the major markets in very different stages of the cycle, the answer isn't uniform. But it will take more than a one-day bounce to end Tokyo's two-year-plus slump. And after months of tumbling in a vacuum, Tokyo proved this week that it can indeed send a shiver through other world markets.

So what are the prospects? Here's what the analysts are saying:

● **Japan:** Friday's 1,250-point rebound, the fifth-biggest one-day gain ever, helped steady nerves in Tokyo, but it will take a lot more to end the bear cycle, analysts said. Even with the gain, the Nikkei 225 index was down 3.8 percent for the week and 22.3 percent for the year to date.

Japan's economy remains very weak, corporate earnings are falling and banks remain saddled with bad real estate loans, said Peter Tasker at Kleinwort Benson in Tokyo. At a real market bottom, "you'd expect stocks to be ridiculously cheap" and financial distress to be more evident, with banks taking big writeoffs and some smaller financial institutions hitting the wall, he said. That hasn't happened yet.

Mr. Tasker sees the Nikkei wavering between 15,000 and 19,000 in coming months, with an outside chance of dropping as low as 12,000 to 13,000 if sentiment really sours.

Craig Chudler at UBS Phillips & Drew said the market "has the potential for a very sharp recovery." But like two previous bounces in the past two years, it will be merely a blip in a long-term bear run unless

tax or rate cuts are made to boost the economy and the markets themselves are restructured to work more effectively. Rules restricting movements in stock-index futures, for example, have prevented the futures market from playing a stabilizing role in the recent fall, he said. "No one is willing to make a bet that this market has bottomed if they can't hedge in futures."

Foreign buying has been one of the few props for Tokyo over the past year and remains positive, although reduced. Peter Thompson, who runs Japanese portfolios at Robert Fleming & Co. in London, said the market looks "extremely oversold" on the charts and could rebound above 20,000 by year-end. But the big story is sectoral, he said. Although banks still carry high valuations, some of the major industrial companies — including the auto and electronics giants — are looking cheap even by Western standards, he said. Companies like Hitachi and Toshiba are trading at three to five times cash flow, for instance.

● **United States:** If the fall in Tokyo is to have a more lasting impact on American markets than the knee-jerk drop this past week, it should become apparent a few weeks from now — May 5, to be precise.

"I don't think it will have a large effect until the U.S. Treasury refunding on the fifth of May," said Albert Edwards, global equity strategist at Kleinwort Benson in London. "If the Japanese market is still weak at that time, then basically U.S. equity investors will fume about Japanese participation. You may see a very sharp rise in U.S. yields."

As for share prices, he said: "In Japan, it's the pension funds that are the large holders of overseas equities. It's the banks trying to raise capital" that are suffering from the drop in stock prices, not the pension funds. But Hugh Johnson, chief economist at First Albany Corp., expects the woes of Japan's banks to have a substantial and far more concrete effect in the United States.

"What we're talking about is a contraction in worldwide credit conditions," he said.

"The pressure on our credit markets of Japanese investors pulling back has been meaningful; it really means the U.S. yield curve will remain steep or long-term rates will remain high, or it will be difficult to put up a

sustained increase in stocks as long as bonds are such an attractive alternative. Why buy stocks as long as Japanese banks have given bond investors such a gift?"

The Federal Reserve was in a generous mood itself Thursday, cutting the federal funds rate by a quarter point to 3.75 percent. Falling rates have been the main fuel for the U.S. stock market rally, and equities daily obliged with a sharp rally. But news on Friday of a 0.5 percent jump in consumer prices dealt the rate outlook a blow, sending bonds tumbling even as stocks held firm.

Susan Hering, an economist at Salomon Brothers, said the course of interest rates will be "a roller-coaster, for the long end in particular." She thinks bonds will end 1992 yielding between 7.5 and 8.25 percent, a fairly tight band around the present level. Short rates will continue falling now, then rebound as the economy recovers. By year's end, she said, the fed funds rate will likely be between 4 and 4.25 percent.

● **Europe:** Analysts here show the same concern for the teetering Japanese banking system and the domino effect it may have on the world's financial markets.

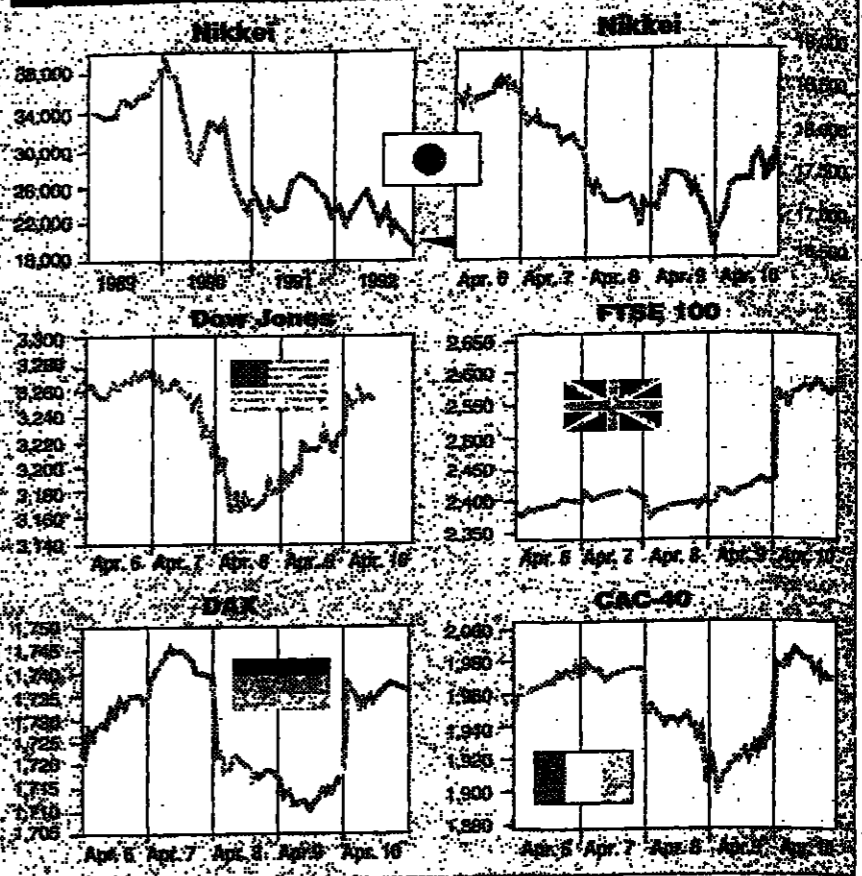
"The problem with the Japanese, in contrast with the States, is the Japanese authorities have lagged behind what they needed to do," said Bob Semple, U.K. market strategist for County NatWest Wood Mackenzie in London. He noted that the Fed cut the U.S. discount rate a full point in December when the market had expected a half-point cut. That gave a lift to stocks. When the Bank of Japan recently cut its key rate just three-fourths of a point, in line with expectations, stocks fell like a boulder going off a cliff.

Nevertheless, he said the euphoria over the Conservatives' election victory would have a bigger, and clearly positive, impact on London stocks. Indeed, the FT-SE 100 index soared 136.2 points to 2,572.6 Friday.

"The market's headed up to 2,600," Mr. Semple assured. "It may pause to take a breath, but the market's heading higher." His reasons for a prolonged rally later this year include a lifting of uncertainty over taxes that should boost consumer spending, and lower interest rates because of the Tories' commitment to a strong pound.

Olivier Favre, an analyst for Baring Secu-

Tokyo Sends a Global Chill



Source: Bloomberg Business News

cities in Paris, expressed confidence that the Japanese weakness would cause little more than a ripple on the Bourse, despite the flurry of selling that pushed the CAC-40 index down nearly 3.5 percent Wednesday.

"Some Japanese investors sold blue chips like L'Oréal and Canal Plus," he said. But an upward move in French stocks, as on most other Continental bourses, depends on interest rates dictated by Germany. And so far the Frankfurt formula — keeping rates high to counter domestic inflation rather than worrying about economic slowdown — hasn't been positive for stocks.

The Bundesbank is not likely to change its

policy, even if share trading in Frankfurt gets a little dicey. "If their market goes down 10 percent, they're not going to lower rates," Mr. Edwards of Kleinwort Benson said.

Norbert Braeum, manager at Barclays de Zoete Wedd in Frankfurt, expects a fall in rates to boost the DAX index nearly 10 percent, to about 1,900 by the end of the year. But as rate cuts are likely to come later than people had been hoping, stocks could ease a bit first, especially if German metal workers strike for higher wages. "We still believe there is a chance the market has to come down slightly before it goes back up," he said, predicting a dip to 1,650.

BRIEFCASE

With its ERM Link, Portugal Aims to Be the Next Spain

For international investors, Madrid has been one of the hot places to be in the past couple of years as cohesion with Europe has produced big gains for Spanish stocks and bonds. Now the prospect of similar gains has been raised next door on the Iberian Peninsula following Portugal's decision last weekend to peg the escudo to Europe's Exchange-Rate Mechanism.

"It's taken away a great deal of the exchange-rate risk," says Peter Bennett, who manages the London-listed Portuguese Investment Fund Ltd. for Morgan Stanley International.

Currency risk and the need to get inflation down have kept Portugal's interest rates well above European norms, but the ERM move

should appease the first concern and inflation is falling fast. José Filiza at Carnegie International Ltd. in London sees inflation falling from 8.3 percent now to below 8 percent by the end of the year, even including a scheduled 1.5 percent rise in value-added tax. Bond rates have fallen from about 18 percent to 13 percent over the past year, but they have further to go, he says. Bigger declines are in store for short rates, currently at 16.5 to 17 percent, he adds.

Lower short-term rates should help fledgling bourses because most companies finance themselves with short-term debt, Mr. Filiza says. Stocks already are cheap versus the rest of Europe at about 10 times prospective 1992 earnings, he says, and Portugal should have above-average growth as it catches up to its northern neighbors. "It's the market to play," Mr. Filiza says.

A small market, though, it must be added. Lisbon's total market capitalization is only about \$11 billion. But the government's privatization campaign could add nearly \$2 billion more this year alone. Performance is another question. Although bonds have done well, stocks are standing at just 30 percent of their pre-crash peak in 1987. The market has rebounded just over 11 percent since bottoming in February, though.

In addition to Morgan Stanley's fund, Lloyds and Lehman brothers run closed-end Portuguese funds out of London. The fourth and biggest is the New York-listed Portugal Fund Inc., run by BEA Associates.

The Next Emerging Market Success Story: Iran?

As emerging markets have graduated from

the offbeat obsession of a few to a craze for the investing masses, analysts may have a hard time discovering the next Mexico fast enough to satisfy the demand.

Miles Morland at Lehman Brothers International in London says the intense interest in the developing world's bourses has drastically shortened the time between a new market's discovery and the soaring of stock values as country funds and other buyers pile on. Hence the need to spot trends early. The best indicator: The adoption of liberal economic policies, typically IMF backed, that encourage the return of flight capital and open up the way for foreign investors.

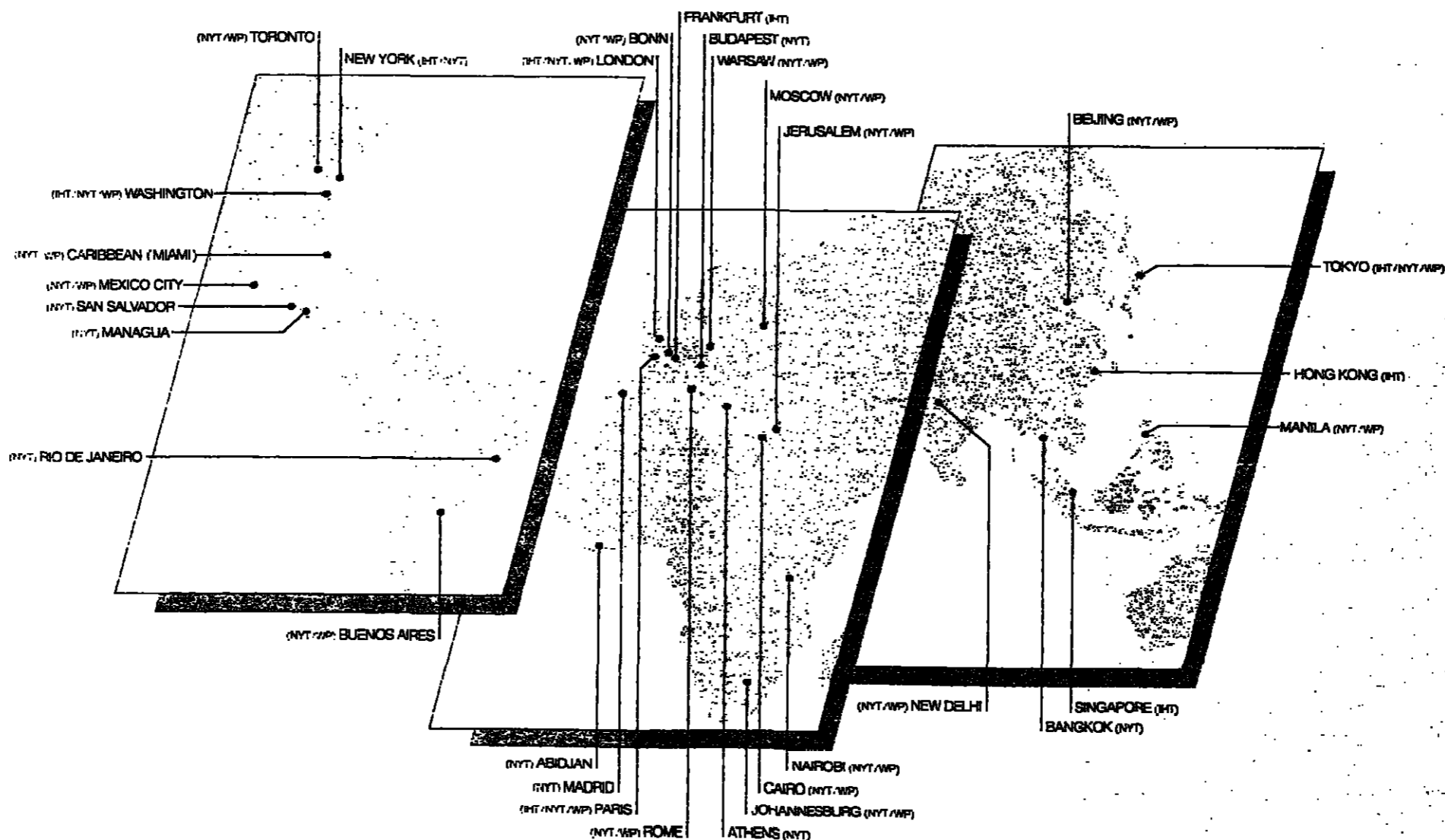
His candidates for the next market to emerge? Colombia, Cyprus, Egypt, Ecuador, Iran, Mauritius, Morocco and Peru. An intriguing collection, and one that points up the added risk that comes with trying to be

very early. Just after Mr. Morland released his list to clients, President Alberto Fujimori suspended Peru's constitution and dissolved the legislature.

Takers Are Few for a Stake in Russian Capitalism

While investment fever remains high for what many hope will be the emerging market of all time — China — market officials in the former Soviet Union are downright pessimistic. The head of the St. Petersburg exchange told Reuters that delays in privatization and rampant inflation had put a damper on the market's early optimism. The price of a seat on the exchange has sunk to 50,000 rubles — about \$55 at the official exchange rate — from 7 million rubles in November.

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DAVE BARRY

Mowing 'em Down

M IAMI — When I hear some loudmouth saying that the United States is no longer a world technology leader, I look him in the eye and say: "Hey! There's a worm being dug on your shirt!" Then, when he looks away, I spit on the top of his head and sprint away. I'm not about to stand still while somebody knicks the United States, not when Americans are still capable of achievements such as the World's Fastest Lawn Mower.

That's right: "The World's Fastest Lawn Mower" is produced in the U.S.A. by Americans who put a jet-powered helicopter engine on a riding lawn mower. I know this is true because — me a courageous journalist — I was in Miami — I drove it on my own lawn.

This event was arranged by Ken Thompson, a Miami-based sales representative for the Dixie Chopper brand of lawn mower. He wrote me a letter saying that the Dixie Chopper people had a special customized jet-powered model touring around the country and the thought would be a great idea if they brought it to my house in a sincere humanitarian effort to get free publicity. As a professional journalist trained to be constantly on the alert for stories that I can cover without leaving home, I said sure.

I had an interest in lawn mowers since I was 10 years old, and I used to earn money by attempting to mow neighbors' lawns with our lawn mower, which was powered by the first gas-line engine ever built. I believe this was actually a stove engine. The only person who could start it consistently was my father, and he could do this only by wrapping the rope around the starter thing and yanking it for the better part of the weekend, a process that required more time and energy than he would have expended if he'd cut the entire lawn with his hand.

By about the 1,000th yard, he'd be dripping with sweat, ready to quit, and the lawn mower, sensing this, would go into "Putt-Just once, but that was enough to goad my father into a furious yanking frenzy, transforming himself, wolfman-like, from a mild-mannered, gentle Presbyterian minister into a violent red-faced lunatic, yanking away at this malevolent stove, which continued to go "Putt" at exactly the right tactical moment, until finally it got what it

wanted, which was for my father to emit a burst of extremely mild profanity. Then the lawn mower, knowing that it now had a funny story to tell down at the Lawn Mower Bar, would start.

Sometimes, in an effort to earn money, I'd push the stove lawn mower next door and ask Mrs. Reed if she wanted me to mow her lawn. She'd say yes, and I'd vank on the starter thing for a while, then sit down, exhausted and discouraged, and Mrs. Reed, who had been watching from her kitchen, would come out and give me a quarter. It was a living.

Lawn mower technology has come a long way since then, as I discovered when the Dixie Chopper trailer pulled up at my house and the crew wheeled out the World's Fastest Lawn Mower. It's a normal-looking commercial riding lawn mower except that it has what looks like a large industrial coffee maker mounted horizontally on the back. This is a 150-horsepower turbine engine from a U.S. military Chinook helicopter. According to the crew, Warren Evans and Mark Metzger, it can easily make the lawn mower go more than 60 miles an hour. God alone knows what it could do in a Cuisinart.

After briefing me on the controls, the crew started the engine, which sounded like a giant vacuum cleaner, getting louder and louder like this: whooooooooooooo until it was shrieking and shooting flames out the back. Then I put on some ear protectors, climbed into the driver's seat, pushed the controls forward and WHOOOOAAAAA . . .

Rocketing around my yard, watching concerned Dixie Chopper people leap out of the way, I was thinking: "This is GREAT! I want to take this baby out on the INTERSTATE! I want to WHUMP!"

O.K., so I hit a tree. But the mower was undamaged, and so was I, and the tree is expected to recover. The bottom line is, if you're interested in extremely high-speed lawn care, this is the lawn mower for you. The Dixie Chopper people say they'll make one for you just like it for only \$29,000, which, according to my calculations, you could easily earn by simply not mowing Mrs. Reed's lawn 116,000 times.

Knigh-Ridder Newspapers

Mellon's Gift for Giving, Or Philanthropy as an Art

By Paul Richard

WASHINGTON — Paul Mellon of Virginia is the subtlest philanthropist. There's a dreamy and exquisite tenor to his giving. The public scarcely knows him — though he has dispensed \$611,466,000 of the money that was left him. He has possibly enhanced your life.

If you have ever kibitzed at the chess tables in the park that fronts the White House, you have felt his benefactions: He refurbished Lafayette Square. If you have ever consulted the "1 Ching," a book he paid to publish, you owe the man a debt. He also paid the bills for the collected works of C. G. Jung, his friend and once his therapist, for Joseph Campbell's "The Hero With a Thousand Faces" and for Kenneth Clark's "The Nude." He bought Sky Meadows State Park for the Commonwealth of Virginia.

If you have ever sat among the dunes and waving grasses of the 29,625-acre Cape Hatteras National Seashore, land he helped to purchase, thank him for that. "Nothing in a list of my charitable contributions is really terribly coherent," he says. "You see, they're based on intuitions. The hunches that I act upon, whether good or bad, just seem to rise out of my head like those word balloons in comic strips."

At his home in Washington, Mellon, who is 84, seems every inch a gentleman, with the accent on the gentle. He still shakes his martini; he says he likes the sound of ice cubes against silver. The walls are lined with books. Great pictures — by Degas, by Cezanne — are everywhere. He has just published his memoir, "Reflections in a Silver Spoon," and agreed, for the occasion, to speak to a reporter.

He says, "I'm probably very lucky, never having had a lot of bright ideas of what would save the world, of what would aid all artists. It is as though I am standing in a flowing stream, and lots of wood is floating by, and I have the ability to pick out a bit of wood I need. Or a bit like that." His list is vast. He gave \$500,000 for restoring Monticello, and \$1 million for preserving monuments in Britain. To Yale he presented both his rare and ancient books on alchemy and magic, and his grandest benefaction, the Center for British Art, designed by Louis I. Kahn and filled with 10,000 of Mellon's old English pictures.

And then there is, of course, the Washington museum founded by his father, the National Gallery of Art. Andrew Mellon, his son once complained, regarded the museum as "just one more investment . . . one more prop for the scaffolding which holds up its gigantic, intensive, mysterious ego." The son gave the gallery its mood — its spaciousness, its grace, its blend of scholarship and kindness. To date he has donated more than \$143 million, most of it in cash, some in superb paintings, to the museum.

Sacrifice has nothing to do with it. His father was so hugely rich — his money came from banking, coal and steel, aluminum, Gulf Oil, railroads and a hundred other interests. Though Mellon has dispensed much of his inheritance, he has kept plenty for himself.

The life he lives is almost dual in its grace. He owns about 4,000 acres in Upperville, Virginia, and half a dozen other homes. — in Paris and Manhattan, Washington, Antigua, Nantucket and Cape Cod. There's an if-it-ain't-broke-don't-fix-it spirit to his luxuries. His car is a 1968 Mercedes-Benz; his trans-Atlantic jet is 22 years old. He takes his pleasures seriously. You can taste them in his prose.

He says, "Don't forget the horses." Well into his 70s, Mellon was still fit enough to win 100-mile trail rides in the mountains of Virginia. When he starts to speak of horses he has been, for both the flat track and the steeplechase, you hear for the first time a note of pride. "I've bred some very good horses," he says. "A hundred years from now, the only place my name will turn up anywhere will be in the studbook, for I was the breeder of Mill Reef, who was not only one of the greatest racehorses in the last 50 years, but one of the most influential stallions in the history of breeding." He pauses. "It was luck, of course, pure luck."

Mellon gifts have long seemed scattered, idiosyncratic — \$2.3 million to the National Museum of Racing, \$505,000 to the Phillips Collection, \$300 to the Boy Scouts — yet a single theme unites them. It is apparent in his memoir (which was written with John Baskett, a longtime friend and an art historian). Anyone who reads between his lines, will begin to understand that the pattern of his giving is a portrait of the man.

He has never fought for power. Nor has he yearned for fame, perhaps because his father got much more than he wanted, and paid for it in anguish. Mellon's childhood, one gathers, might easily have crushed him. His parents were mismatched, their union a disaster. His English mother was unfaithful, his father coldly distant, and by the time their marriage ended, their two young children had been deeply scarred. Mellon's sister, Ailsa, who died at 68 in 1969, never quite recovered. Mellon, who remembers well his nervousness, his nauses, his feelings of inadequacy, might be twitching still had he not, at 29, managed to "break" free.

Nothing in his book is more startling, or moving, than a memorandum that he wrote to himself more than 30 years ago. Mellon wrote: "The years of habit have enmeshed me in a lump of ice, like the people in my dreams, and when I get into any personal conversation with Father I become congealed and afraid to speak. . . . But somehow I think I can do it at last."

His meeting with his father took place on Nov. 29, 1936, nine months before the old man died. It liberated Mellon. He settled in Virginia, and started breeding horses and then went back to school. Though he had already gone to Yale, then to Cambridge University, he enrolled, in 1940, in St. John's College in Annapolis. (Mellon has since given more than \$13 million to St. John's.)

The path that he would follow, though deflected by the war — Mellon joined the cavalry, then served in Europe

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Paul Mellon, in his New York office.

with the OSS — had been determined. What Mellon loved at 29 — the beauty of the horse, and that of the countryside; poetry, art and learning for its own sake — would thereafter govern how he lived. And how he gave his wealth away.

To page through his book is to hear him reminiscing — about his first wife, Mary, who led him into publishing (she died of asthma in 1946), and Rachel Lloyd ("Bunny") Mellon, who has encouraged his collecting. He has a daughter and a son.

Mellon's life, he knows, is drawing "toward its close." His acres in Virginia will never be paved over — he has purchased scenic easements. The paintings he has collected with his wife will be dispersed to institutions.

And his horses? "The horses will be sold," he says. "Everything gets sold." "I hope to end his memoirs, 'I have made no excuses for a lack of what most of the world considers success, just as I hope that I have not overstated whatever contributions I have made to my fellow humans or fallen into the trap of excessive pride.'"

He is innocent on all counts. He has given money a good name. He has made philanthropy an art.

PEOPLE

Leon's Plight Eases
Jean Harris's Sympathy
Leon Hainsley, about to begin a four-year sentence, got some support from Jean Harris, still in prison for the 1980 slaying of Dr. Herman Tarnower. Harris, 38, who has long argued for alternatives to prison, wrote in New York Newsday that it did not make sense to send a man a wave of her hand, underwrite the establishment of six — who knows — maybe 12 Head Start nurseries, endow and locate them in areas where children would not have to dodge bullets during recess. Harris added: "It is almost the 21st century, yet here we are, still gathered in the market square, shouting and jeering and spitting while they strap a woman in the dunking pool."

Mammal Noriega's wife has been offered a plea bargain that would spare her from jail and leave her with an criminal record if she repays the department store that accused her of shoplifting buttons. The deal would require Felicidad Noriega, 46, to repay the store \$1,320.94 for the buttons and the clothing she is accused of damaging March 20. She also would be required to complete a pretrial program, probably involving counseling or community service. The prosecutor said the offer was typical for first offenders.

Representative Charles Hayes, named as one of the top check abusers in the House back-scandal and a loser in the Illinois Democratic primary election, was the butt of a parody newspaper ad. Roll Call, a semi-weekly newspaper, ran an "ad" promoting a "movie" called "Roll," supposedly directed by Oliver Stone. The name refers to Jack Ross, the former House sergeant-at-arms who ran the bank and who was forced to resign last month. At the top of the ad is a quote attributed to Hayes: "It literally knocked me out of my seat!" Hayes felt it was "insulting" said an aide, Steve Hanson, executive editor of Roll Call, suggested Hayes's office should lighten up. "It's a parody. Everyone knows it's in good fun," she said.

Anita Hill will moderate a national forum at the University of Oklahoma on racial and sexual harassment in the workplace.

INTERNATIONAL CLASSIFIEDS. A large grid of classified advertisements including: MOVING (Move Plus, AGS), ANNOUNCEMENTS (College of Uman, Monaco), REAL ESTATE (Great Britain, Paris Area, Monaco), LEGAL SERVICES (Green Card Lottery, Antiques), SERVICES (Autobooks, Low Cost Flights), EDUCATION (American Executive MBA, Colleges & Universities), COLLECTIBLES (Radio, Batches), FINANCIAL SERVICES (International Funds), FRENCH PROVINCES (Near St Paul de Vence), GREAT BRITAIN (Stratford Upon Avon), and various other international listings.

READ IHT CLASSIFIEDS FOR ALL YOUR SERVICE NEEDS. TUESDAY EDUCATION DIRECTORY WEDNESDAY BUSINESS MESSAGE CENTER THURSDAY INTERNATIONAL RECRUITMENT FRIDAY REAL ESTATE MARKETPLACE SATURDAY ARTS & ANTIQUES. Includes a small image of the Herald Tribune newspaper.

